



DRAFT INTEGRATED DEVELOPMENT PLAN

2020-2021

ELUNDINI LOCAL MUNICIPALITY
No. 01 Seller Street
MACLEAR, 5480

Table of Contents

Tables.....	10
Figures.....	13
FOREWORD FROM THE MAYOR.....	14
OVERVIEW BY THE MUNICIPAL MANAGER	15
BACKGROUND	16
Guiding Parameters.....	17
❖ <i>National Development Plan, Vision 2030.....</i>	18
❖ <i>Priority Programs Of The District</i>	18
❖ <i>Priority Programs of the Elundini Local Municipality</i>	19
EXECUTIVE SUMMARY.....	20
1. SECTION A: INTRODUCTION	22
1.1. Purpose of this Document	22
1.2. IDP Contents	22
1.3. Process Followed	23
1.3.1. Process Plan	23
1.3.2. Phases in the Development of the IDP.....	24
1.4. Key Developmental Challenges	26
1.5. IDP Assessments	26
1.6. IDP Assessment Response Plan	27
2.4. Powers and Functions.....	29
2.5. Intergovernmental Relations.....	31
2.5.1. MUNIMEC	31
2.5.2. District Mayors Forum: DIMAFO.....	32
2.5.3. SALGA Working Groups.....	32
2.5.4. Traditional Leadership – Partnerships	33
2.6. Public Participation	33
2.6.1. Public Participation Mechanisms	33
2.6.2. Public Participation Challenges	34
2.7. Communications.....	35
2.7.1. Community Participation and Community Issues.....	35
2.8. Community Involvement to Social Cohesion Programs	67
2.9. Inter-Municipal Planning	67

3. SECTION B: UPDATED SITUATIONAL ANALYSIS	69
3.4. Elundini Local Municipality Profile	69
3.5. Elundini Local Municipality Demographic Profile	70
3.6. Distribution of Total Population by age and Gender	71
3.7. Population by Race.....	72
3.8. Distribution of Population by Language	73
3.9. Distribution of household by income	73
3.10. Literacy Levels.....	74
3.11. Grant Dependency.....	76
3.12. People Living With Disability	76
3.13. Unemployment.....	77
3.14. Local Economic Development.....	78
3.14.1. Formal and Informal Trade Development	79
3.14.2. SMME and Cooperative Development.....	80
3.14.3. Property Development.....	81
3.14.4. Industrial Development.....	81
3.15. Types of Rural Industry available in Elundini (Competitive and the Comparative Advantages).....	82
3.15.1. Agro Based Industries	82
3.15.2. Forest Based Industries.....	82
3.15.3. Mineral Based Industries	82
3.15.4. Arts and Craft Industry	82
3.15.5. Renewable Energy Industry	83
3.15.6. Agriculture Development	83
3.15.7. Tourism Development	84
3.16. Indicators of Economic Performance.....	85
3.16.1. Level of Economic Growth.....	85
3.16.2. Sector Contribution to GGP	85
3.16.3. Sector Contribution to Employment: (Census 2011)	85
3.16.4. Gross Value Added (GVA)	86
3.16.5. Small Town Regeneration Program.....	86
3.16.6. Partnership with P.G. Bison.....	87
3.17. Basic Service and Infrastructure Development.....	88
3.17.1. LGSETA Candidacy Mentorship Programme	89
3.18. Implementation of EPWP	89

3.19. Water and Sanitation	90
3.20. Roads and Storm Water	91
3.20.1. National Roads.....	93
3.20.2. Provincial Roads	93
3.20.3. Municipal Paved Roads.....	96
3.20.4. Municipal Unpaved Roads.....	98
3.20.5. Condition of Gravel Roads Assessed	99
3.21. Roads Maintenance	100
3.22. Documentation which Influences the Construction and Maintenance of Roads	103
3.23. Status Quo in the Roads Section	106
3.24. Housing Provision	108
3.25. Electricity	110
3.25.1. Household access to electricity	110
3.25.2. Household usage of candle	111
3.25.3. Municipal survey on electricity	111
3.25.4. Energy Efficiency and Demand Side Management.....	113
3.25.5. Solar Water Heater Geysers	114
3.25.6. Enrolment of Small Scale Embedded Generation (SSEG) Transition in Our Municipality 114	
3.25.7. Support to Municipal Energy Management System	115
3.26. Transportation	115
3.26.1. Freight transport.....	115
3.26.2. Public transport	116
3.26.3. Railway services	117
3.26.4. Airfields	117
3.26.5. Non-motorised transportation	117
3.27. Public Amenities.....	118
3.27.1. Sports and Recreation Facilities	118
3.27.2. Community halls.....	118
3.27.3. Cemeteries.....	119
3.27.4. Pounds for small and large animals.....	120
3.27.5. Parks and open spaces	120
3.27.6. Library and Information Services	120
3.28. Community Safety and Security	121
3.29. Primary Health Care and Municipal Services	122
3.29.1. Health Facilities	122

3.29.2.	Priority Health Promotion.....	124
3.29.3.	Social Determinants of Health	125
3.29.4.	Burden of disease – Leading causes of death in the District.....	125
3.29.5.	Child Health Care	126
3.29.6.	HIV	127
3.29.7.	TB	129
3.29.8.	Non – communicable Diseases	130
3.29.9.	Quality of Care	131
3.29.10.	Quality of Service Delivery Platform	132
3.29.11.	Top 5 worst performing VITAL ideal clinic elements in PHC facilities.....	132
3.29.12.	Top 10 worst performing ideal clinic elements in PHC	133
3.29.13.	Emergency Medical Services (EMS) and Patient Transport (PTV)	133
3.30.	Natural Environment	134
3.30.1.	<i>Topography and Hydrology</i>	<i>134</i>
3.30.2.	<i>Climate and Rainfall</i>	<i>135</i>
3.30.3.	<i>Hydrology.....</i>	<i>136</i>
3.30.4.	<i>Geology and Soils</i>	<i>137</i>
3.30.5.	<i>Biodiversity.....</i>	<i>137</i>
3.31.	Waste Management	139
3.32.	Free Basic Services	143
3.33.	By-Laws and Enforcement (Promulgation of By-laws)	143
3.34.	Air and Noise Pollution	144
3.35.	Sewage Spillages.....	144
3.36.	Environmental Opportunities.....	144
3.37.	Southern Drakensberg Sustainable Development and Conservation Strategy	145
3.37.1.	Waste Collection Services: Refuse Removal.....	146
3.38.	District Disaster Management Plan	146
3.39.	Spatial Planning.....	147
3.39.1.	Spatial Planning Elements.....	149
3.39.2.	Development priorities in alignment to Spatial Framework	150
3.39.3.	Addressing Spatial Fragmentation.....	151
3.39.4.	Kei Development Corridor	152
3.40.	Municipal Transformation and Organizational Development Status Quo on Human Resources Management and Development	153
3.40.1.	Institutional Characteristics.....	153
3.40.2.	Council Oversight Role.....	155

3.40.3.	Risk Management	157
3.40.4.	Anti-Corruption, Fraud and Complaints Management.....	157
3.40.5.	King IV Code	158
3.40.6.	Elundini Organizational Structure Overview.....	161
3.41.	External Environmental Analysis	170
3.42.	Organizational Analysis	178
4.	SECTION C: VISION AND MISSION.....	183
4.4.	Vision Statement.....	183
4.5.	Mission Statement	183
4.6.	Values.....	183
5.	SECTION D: GOALS, STRATEGIC OBJECTIVES, KEY PERFORMANCE AREAS AND PERFORMANCE INDICATORS	184
5.4.	Strategic Goals and Objectives	184
5.5.	Alignment of National Outcomes.....	185
5.6.	The Five Year Implementation Plan	186
5.7.	IDP FIVE YEAR PLAN – 2018 TO 2023.....	187
5	SECTION E - POLICIES, SECTOR PLANS AND STRATEGIES	214
5.1.	National Development Plan	214
5.1.1.	Introduction.....	214
5.1.2.	Strategic Projects Priorities by President's Infrastructure Coordinating Commission ...	215
5.2.	Millennium Development Goals	215
5.3.	Delivery Agreement: Outcome 9	216
5.4.	Other Policies and Strategies	217
5.4.1.	Provincial and National.....	217
5.4.2.	District Municipality.....	217
5.4.3.	Elundini Local Municipality.....	218
5.4.3.1.	Key Sector Plans.....	218
5.5.	Ward-Based Plans	220
6	SECTION F – PERFORMANCE MANAGEMENT SYSTEM	222
6.1.	Introduction.....	222
6.2.	Principles governing Elundini PMS	223
6.3.	Role players in ELM Performance Management System	223
6.4.	Performance Agreements with Sectional Heads	226
6.5.	Planning for performance	227

6.5.1.	Setting Key Performance Indicators	227
6.6.	Alignment of the PMS to the IDP and Budget	228
	228
6.7.	Tracking and Reporting Progress.....	229
6.8.	Publication of Performance Reports	230
6.9.	Public Feedback Mechanisms	230
6.10.	Performance Reviews and Assessments.....	230
6.11.	Monitoring and Measurement Framework	231
6.11.1.	Performance Audit.....	232
6.11.2.	Evaluation	233
6.12.	Employee Performance Appraisal.....	233
6.13.	Performance Improvement	234
6.14.	Performance Incentives and Rewards	235
6.15.	Institutional Scorecard 2020/2021	235
7	SECTION G – PROJECTS LIST.....	237
7.1.	MIG Three Year Capital Implementation Plan	237
7.1.1.	2020 – 2021 IMPLEMENTATION PLAN (will include once finalized).....	240
7.1.2.	2020 – 2021 INEP PLAN (Will include once provided).....	240
7.2.	Provincial Allocations per DORA.....	241
7.2.1.	Indicative National Grants Allocation as Per DORA	241
7.2.2.	Provincial Indicative Allocation.....	241
7.3.	Planned projects by the Department of Human Settlements	242
7.4.	Planned projects by the Department Public Works.....	244
7.5.	Progress on Elundini Electrification.....	245
7.6.	Programs by Department of Rural Development and Land Reform	245
7.7.	Electrification program.....	246
7.8.	Projects/Programs by the Department of Social Development	248
7.9.	Projects by the DEDEAT.....	250
7.10.	Projects/Programs by the Department of Rural Development and Agrarian Reform 255	
7.11.	Joe Gqabi District Municipality – 3 Year Infrastructure Plan (2019/20 – 2021/22)	256
8.	SECTION H: FINANCIAL VIABILITY AND FINANCIAL PLAN.....	261
8.1.	Introduction.....	261
8.2.	Financial risks and key challenges.....	261
8.2.1.	Key Challenges	261

8.3. Financial Strategies	262
8.3.1. Revenue Enhancement and Maximisation Strategy	262
8.3.2. Subsidies and Grants	263
8.3.3. Administration Fee Policy	264
8.3.4. Credit Control and Debt Collection Policy	264
8.3.5. Tariff Policy	265
8.3.6. Asset Management Strategies	265
8.3.7. Asset Management Policy	265
8.3.8. Asset Movement System	266
8.3.9. Financial Management Strategies	266
8.3.10. Supply Chain Management Turnaround Strategy	267
8.4. BUDGET AND FINANCE REFORM	268
8.5. POLICY FOR ACCESSING DONOR FUNDS	268
8.6. OPERATIONAL FINANCING STRATEGIES	269
8.7. STRATEGIES TO ENHANCE COST-EFFECTIVENESS	269
8.8. BENCHMARKING AND PERFORMANCE INDICATORS	270
8.9. TRAINING AND DEVELOPMENT OF STAFF	270
8.10. COST-EFFECTIVENESS	271
8.11. POST RETIREMENT BENEFITS	271
8.12. FREE BASIC SERVICES	271
8.12.1. The indigence support policy:	271
8.13. FINANCIAL PLAN	272
Operating Revenue Framework	287
Property rates	291
Revenue from Services	292
1.4.7 Overall impact of tariff increases on households	297
Operating Expenditure Framework	298
Employee Related Costs	299
Remuneration of Councilors	300
Debt impairment Provision	300
Depreciation Provision	300
Bulk purchases	300
Other Material	301
Contracted Services	301
Other Expenditure	301

Capital expenditure.....	302
Annual Budget Tables - Elundini Municipality	305
2	324
3 Part 2 – Supporting Documentation	324
3.1 Overview of the annual budget process	324
3.1.1 Budget Process Overview	324
3.1.2 IDP and Service Delivery and Budget Implementation Plan.....	326
3.1.3 Financial Modelling and Key Planning Drivers	326
3.1.4 Community Consultation.....	327
3.2 Overview of alignment of annual budget with IDP	328
3.3 Measurable performance objectives and indicators.....	336
3.3.2 Free Basic Services: basic social services package for indigent households.....	342
3.4 Overview of budget related-policies	343
3.4.1 Review of Indigent Policy.....	343
3.4.2 Supply Chain Management Policy	344
3.4.3 Budget and Virement Policy	344
3.4.4 Cash Management and Investment Policy.....	344
3.4.5 Petty Cash Policy	345
3.4.6 Tariff Policy.....	345
3.5 Overview of budget assumptions	346
3.5.1 External factors	346
3.5.2 General inflation outlook and its impact on the municipal activities	346
3.5.3 Collection rate for revenue services.....	347
3.5.4 Salary increases.....	347
3.5.5 Impact of national, provincial and local policies	348
3.5.6 Ability of the municipality to spend and deliver on the programmes	348
3.6 Overview of budget funding	349
3.6.1 Medium-term outlook: operating revenue	349
3.6.2 Medium-term outlook: capital revenue	355
3.6.3 Cash Flow Management.....	360
3.6.4 Cash Backed Reserves/Accumulated Surplus Reconciliation	360
3.6.5 Funding compliance measurement.....	362
3.7 Expenditure on grants and reconciliations of unspent funds.....	367
3.8 Councilors and employee benefits	368
3.9 Annual budgets and SDBIPs – internal departments.....	386

3.10	Contracts having future budgetary implications.....	386
3.11	Capital expenditure details.....	386
3.12	Annual budgets and SDBIPs – internal departments	397
3.13	Contracts having future budgetary implications.....	397
3.14	Capital expenditure details.....	397
2.	IDP PROCESS	4

Tables

Table 1: Priority Programs	18
Table 2: ELM Priorities.....	19
Table 3: Phases in the development of the IDP ...	24
Table 4: IDP Assessment Results.....	26
Table 5: IDP Assessment Response Plan	27
Table 6: Powers and Function	30
Table 7: Councillors Participating in SALGA Working Groups	32
Table 8: IDP Outreach Ward Priorities	42
Table 9: Population Changes.....	71
Table 10: Table showing age and gender distribution	71
Table 11: Table showing racial distribution	73
Table 12: Table showing language distribution	73
Table 13: Table showing income levels	73
Table 14: Table showing attendance of school	74
Table 15: Levels of Education against the District	75
Table 16: Grant Dependency	76
Table 17: HIV/AIDS Infections	Error! Bookmark not defined.
Table 18: Categories of disability	76
Table 19: Special Programs Projects	77
Table 20: Employment Status	77
Table 21: Stock ownership.....	83

Table 22: sector distribution to DGP	85
Table 23: Contribution to employment	85
Table 24: GVA	86
Table 25: Projects Planned for Mt Fletcher	87
Table 26: Main sources of drinking water	90
Table 27: Types of Roads	91
Table 28: Gravel Road Infrastructure	91
Table 29: Number of paved roads.....	96
Table 30: Municipal unpaved roads	98
Table 31: Condition of Elundini roads	99
Table 32: Plan for Maintenance of Access Roads in Northern Section	101
Table 33: Plan for Maintenance of Access Roads in Southern Section	101
Table 34: Maintenance Plan for SLA.....	102
Table 35: Review Findings.....	107
Table 36: Access to electricity.....	110
Table 37: Use of candle	111
Table 38: Installation of Solar Heating System...	111
Table 39: Planned electrification by ESKOM.....	112
Table 40: Community halls	118
Table 41: Ward with police stations.....	121
Table 42: PHC Facilities per Sub-District	122
Table 43: Location of clinics.....	122
Table 44: Top Management.....	154
Table 45: Municipal departments and their functions	161
Table 46: Status on vacancies	165
Table 47: Employees including people with Disabilities	166
Table 48: Environmental Analysis	170
Table 49: SWOT Analysis	178

Table 50: Values.....	183
Table 51: Strategic Goals and Objectives	184
Table 52: Five Year IDP Project Priorities	187
Table 53: Compulsory sector plans to be included in IDPs	218
Table 54: Role of Council:	223
Table 55: Role of Municipal Manager:.....	224
Table 56: Role of S57 Managers:	225
Table 57: Role of the Audit Committee:.....	225
Table 58: Draft SDBIP 2020 -2021	236
Table 59: Indicative National Allocation as Per DORA	241
Table 60: Provincial Indicative Allocation	241
Table 61: Human Settlement Projects under consideration	242
Table 62: Human Settlement Running Projects .	242
Table 63: Elundini Blocked Projects from Human Settlement	243
Table 65: New Approved Projects by Human Settlement (Not Yet Started = MEC Resolution only)	243
Table 66: Electrification Progress	245
Table 67: Food Security 2020/2021	245
Table 68: Infrastructure 2020/2021	245
Table 69: Land Care 2020/2021	246
Table 70: Electrification Backlog	246
Table 71: Electrification Plan for 2020/2021 by ESKOM	246
Table 72: Planned Projects for Funding: 2020/2021	248
Table 73: DEDEAT Projects	250
Table A86 Consolidated Overview of the 2019/20 MTREF	Error! Bookmark not defined.
Table 87 IDP Strategic Objectives	Error! Bookmark not defined.

Figures

Figure 1: Map showing settlement distribution	70
Figure 2: Population Pyramid.....	72
Figure 3: Elundini Roads.....	92
Figure 4: Municipal paved roads	98
Figure 5: Municipal unpaved roads	99
Figure 6: PMS.....	227
Figure 7: Linkage between IDP Budget & PMS.....	228
Figure 8: Governance Process and Public Participation	232
Figure 9 Planning, budgeting and reporting cycle	Error! Bookmark not defined.
Figure 10 Definition of performance information concepts	Error! Bookmark not defined.

FOREWORD FROM THE MAYOR

Cllr. N. R. Lengs

Mayor

DATE: _____

OVERVIEW BY THE MUNICIPAL MANAGER

Khaya Gashi

Municipal Manager

DATE: _____

BACKGROUND

Section 34 of the Local Government: Municipal Systems Act, 32 of 2000 as amended, provides for the annual review of the IDP in accordance with an assessment of its performance measurements and to the extent that changing circumstances so demands. This draft 2020 – 2021 IDP document is the fourth review of the 2017/2022 IDP of the Elundini Local Municipality. The strategic objectives and targets contained in this document were reached subsequent to extensive systematic and structured internal and external consultation through various public participation mechanisms with the community and stakeholders within the Elundini Municipal area of jurisdiction.

In terms of the Local Government: Municipal Systems Act, Act 32 of 2000 as amended, Section 25 (1) each municipal Council must, within a prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan for the development of the municipality which, *inter alia*, links, integrates and co-ordinates plans and takes into account proposals for the development of the municipality and aligns the resources and capacity of the municipality.

As far as the status of the IDP is concerned, Section 35 of the MSA clearly states that an Integrated Development Plan adopted by the Council of a municipality: (a) is the principal strategic planning instrument, which guides and informs all planning and development, and all decisions with regard to planning, management and development, in the municipality; (b) binds the municipality in the exercise of its executive authority, except to the extent of any inconsistency between a municipality's Integrated Development Plan and national or provincial legislation, in which case such legislation prevails; and (c) binds all other persons to the extent that those parts of the IDP that impose duties or affect the rights of those persons have been passed as a by-law.

Section 36 furthermore stipulates that a municipality must give effect to its integrated development plan and conduct its affairs in a manner that is consistent with its integrated development plan. The IDP is the key instrument to achieve developmental local governance for decentralized, strategic, participatory, implementation orientated, coordinated and integrated development.

Preparing an IDP is not only a legal requirement in terms of the legislation but it is actually the instrument for realizing municipalities' major developmental responsibilities to improve the quality of life of citizens". It seeks to speed-up service delivery by securing a buy-in of all relevant role-players and provides government departments and other social partners with a clear framework of the municipality's development trajectory to harness implementation efforts.

Integrated Development Planning also promotes intergovernmental co-ordination by facilitating a system of communication and co-ordination between local, provincial and national spheres of government. Local development priorities, identified in the IDP process, constitute the backbone of the local government's budgets, plans, strategies and implementation activities. Hence, the IDP forms the policy framework on which service delivery, infrastructure development, economic growth, social development, environmental sustainability and poverty alleviation rests.

The IDP therefore becomes a local expression of the government's plan of action as it informs and is informed by the strategic development plans at national and provincial spheres of government.

In terms of Section 26 of the Local Government: Municipal Systems Act, 32 of 2000 as amended, the core components of an IDP are:

- ✓ The municipal Council's vision for the long term development of the municipality with special emphasis on the municipality's most critical development and internal transformation needs;
- ✓ An assessment of the existing level of development in the municipality, which must include an identification of communities which do not have access to basic municipal services;
- ✓ The Council's development priorities and objectives for its elected term, including its local economic development aims and its internal transformation needs;
- ✓ The Council's development strategies which must be aligned with any national or provincial sector plans and planning requirements binding on the municipality in terms of legislation;
- ✓ A spatial development framework which must include the provision of basic guidelines for a land use management system for the municipality;
- ✓ The Council's operational strategies;
- ✓ Applicable disaster management plans;
- ✓ A financial plan, which must include a budget projection for at least the next three years; and
- ✓ The key performance indicators and performance targets determined in terms of the Performance Management System.

Guiding Parameters

Within the multitude of government policy frameworks, legislation, guidelines and regulations that seek to advocate for the path, pace and direction for the country's socio-economic development agenda, the section below focuses on National Development Plan Vision 2030; Popular Mandate across Spheres of Government; Government Outcomes; Medium Term Strategic Framework (MTSF); the National Spatial Development

Perspective (NSDP); National Growth Path; the Joe Gqabi Growth and Development Strategy; Millennium Development Goals; State of the Nation Address (SONA); and State of the Province Address (SOPA).

❖ *National Development Plan, Vision 2030*

The RDP formed the basis of government's attempt to attack poverty and deprivation, and to build a united, non-racial and non-sexist South Africa. Informed by the principles of inclusivity, government translated the RDP into policies, programs and budgets.

The Diagnostic Report of the National Planning Commission, released in June 2011, sets out South Africa's achievements and its shortcomings since 1994. The Vision Statement of the NDP is a step in the process of charting a new path for our country.

The NDP has the following objectives:

- ✓ Seeks to eliminate poverty and reduce inequality;
- ✓ Seeks a country wherein all citizens have the capabilities to grasp the ever-broadening opportunities available;
- ✓ Plans to change the life chances of millions of our people, especially the youth; life chances that remain stunted by the apartheid history

❖ *Priority Programs Of The District*

Based on a comprehensive analysis of the District and the Strategic Goals and Objectives, the District has adopted eight "Priority Programs" to drive growth and development in the District over the next five to ten years. These priority programs were endorsed by all the social partners at the Growth and Development Summit held in February 2007 as well as in subsequent public meetings. The Strategic IDP objectives presented in the table below are aligned to the eight priority programs, MTAS and the 12 Outcomes of Government as well as the Millennium Development targets. The eight priority programs are depicted in the table below:

Table 1: Priority Programs

PRIORITY PROGRAM		OBJECTIVES OF THE PROGRAM
AGRICULTURE		Aims to improve livelihoods of emerging and subsistence
TIMBER		Aims to create new jobs through new afforestation and timber processing
TOURISM		Aims to grow the tourism industry
WATER AND SANITATION		Aims to eradicate backlogs in line with national targets
MUNICIPAL SERVICES	UPGRADING	Aims to improve municipal services to create sustainable human settlements, particularly in the seven new rural nodes

SOCIAL SAFETY NET	Aims to support the poorest, through EPWP, home gardens etc.
ACCESS AND LINKAGES	Access Aims to improve roads and access to electricity and ICT, to support Economic development
GOVERNANCE	Aims to improve Government's performance, particularly in supporting economic development and improving service delivery (coordination, health, education, etc.)

❖ *Priority Programs of the Elundini Local Municipality*

ELM's priority programs are derived from various community engagement platforms like ward committee meetings, IDP roadshows, Ward Based Planning, etc.

Table 2: ELM Priorities

PRIORITY PROGRAM	OBJECTIVES OF THE PROGRAM
SMME DEVELOPMENT	Aims to stimulate local economy and create sustainable enterprises
MANUFACTURING	Aims to stimulate and create vibrant local economy
MINING	Aims to stimulate and create vibrant local economy
AGRICULTURE	Aims to improve livelihoods of emerging and subsistence
TIMBER	Aims to create new jobs through new afforestation and timber processing
TOURISM	Aims to grow the tourism industry
ROADS AND STORMWATER	Aims to eradicate backlogs in line with national targets
RURAL ELECTRIFICATION	Aims to improve municipal services to create sustainable human settlements, particularly in rural nodes
SMALL TOWN REGENERATION	The program focuses on Commercial, Institutional and residential property development
TOWNSHIP ESTABLISHMENT	Access Aims to improve roads and access to electricity and ICT, to support Economic development
GOVERNANCE	Aims to improve Government's performance, particularly in supporting economic development and improving service delivery (coordination, health, education, etc.)
ENVIRONMENTAL AND WASTE MANAGEMENT	Aims to protect the environment
SOCIAL INFRASTRUCTURE (PUBLIC AMENITIES)	Aims to create a conducive environment for social activities
COMMUNITY SKILLING	Aims to develop community capacity to champion their own development

EXECUTIVE SUMMARY

SECTION A: INTRODUCTION

Section 23 of the Local Government: Municipal Systems Act, 32 of 2000 as amended, explains that a municipality must undertake developmentally-oriented planning so as to ensure that it strives to achieve the objects of local government as set out in Section 152 of the Constitution of the Republic of South Africa, 1996 to give effect to its developmental duties as required by Section 153 of the Constitution of the Republic of South Africa, 1996 and together with other organs of state contribute to the progressive realization of the fundamental rights contained in Sections 24, 25, 26, 27 and 29 of the Constitution of the Republic of South Africa, 1996. An IDP is a super-plan that gives a framework for development. It tries to address the needs of the people in the area, draws in stakeholders and other spheres of government and plans for infrastructure and local economic development. The components of Elundini Integrated Development Plan are as set out in the Integrated Development Plan Format Guide developed by the Department of Provincial and Local Government of the Republic of South Africa.

SECTION B: UPDATED SITUATIONAL ANALYSIS

The municipality has in terms of the situation analysis, analyzed each Key Performing Area 's current status and challenges thereof , and further proposed strategies that will bring change to the current situation to better the services of its communities. The list of community needs/priorities are included in section B below.

SECTION C: VISION AND MISSION

In this section, the municipality reflects on its vision which serves as a framework or a road map to guide every aspect of the organization by describing what needs to be accomplished. It has also through its mission and values declared its purpose and the standard against which the institution will weigh its actions and decisions.

SECTION D: STRATEGIC OBJECTIVES

This describes the goals and objectives and the priorities which serves as the end towards which the municipality's efforts and actions are directed and coordinated. It contains the performance indicators set by a municipality which include general key performance indicators prescribed by National Department of Local government and traditional affairs. Clear performance targets for the next five years are also reflected. The performance information reflected in the IDP informs the budget allocation with the service delivery receiving more consideration than other areas of operation.

SECTION E: DEVELOPMENT STRATEGIES

The IDP process is guided by various policies and strategies that are developed by both the National and Provincial government. The alignment is the process by which the various organs of government develop and implement consistent strategies and programs. This section therefore outlines the key policies and strategies considered by Elundini municipality in its intergraded development review.

SECTION F: PERFORMANCE MANAGEMENT SYSTEM

This section reflects on the functioning of the ELM's PMS.

SECTION G: OPERATIONAL BASED AND SERVICE DELIVERY PROJECTS

This section reflects on all planned projects by the district municipality and other sector departments, both funded and unfunded.

SECTION H: FINANCIAL VIABILITY AND FINANCIAL PLAN

This section deals with the analysis of the financial position and financial viability of the municipality.

1. SECTION A: INTRODUCTION

1.1. Purpose of this Document

An Integrated Development Plan (IDP), once adopted by the Municipal Council, is a key strategic planning tool for the municipality. It is described in the Municipal Systems Act (MSA) 32 of 2000 as:

35(1) (a) "...the principal strategic planning instrument which guides and informs all planning and development, and all decisions with regard to planning, management and development, in the municipality";
(b) "...binds the municipality in the exercise of its executive authority...;

Elundini Local Municipality (ELM) developed its IDP and Budget in accordance with the requirements as set out in the Local Government: Municipal Systems Act (MSA) 32 of 2000, the Local Government: Municipal Planning and Performance Management Regulations 2001 and the Local Government: Municipal Finance Management Act 56 of 2003. In terms of the Local Government: Municipal Systems Act, Chapter 5, Section 25 (1) each municipal Council must, within a prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan for the development of the municipality which:

- a) links, integrates and co-ordinates plans and takes into account proposals for the development of the municipality;
- b) aligns the resources and capacity of the municipality with the implementation of the plan;
- c) forms the policy framework and general basis on which annual budgets must be based;
- d) complies with the provisions of this Chapter; and
- e) is compatible with national and provincial development plans and planning requirements binding on the municipality in terms of legislation

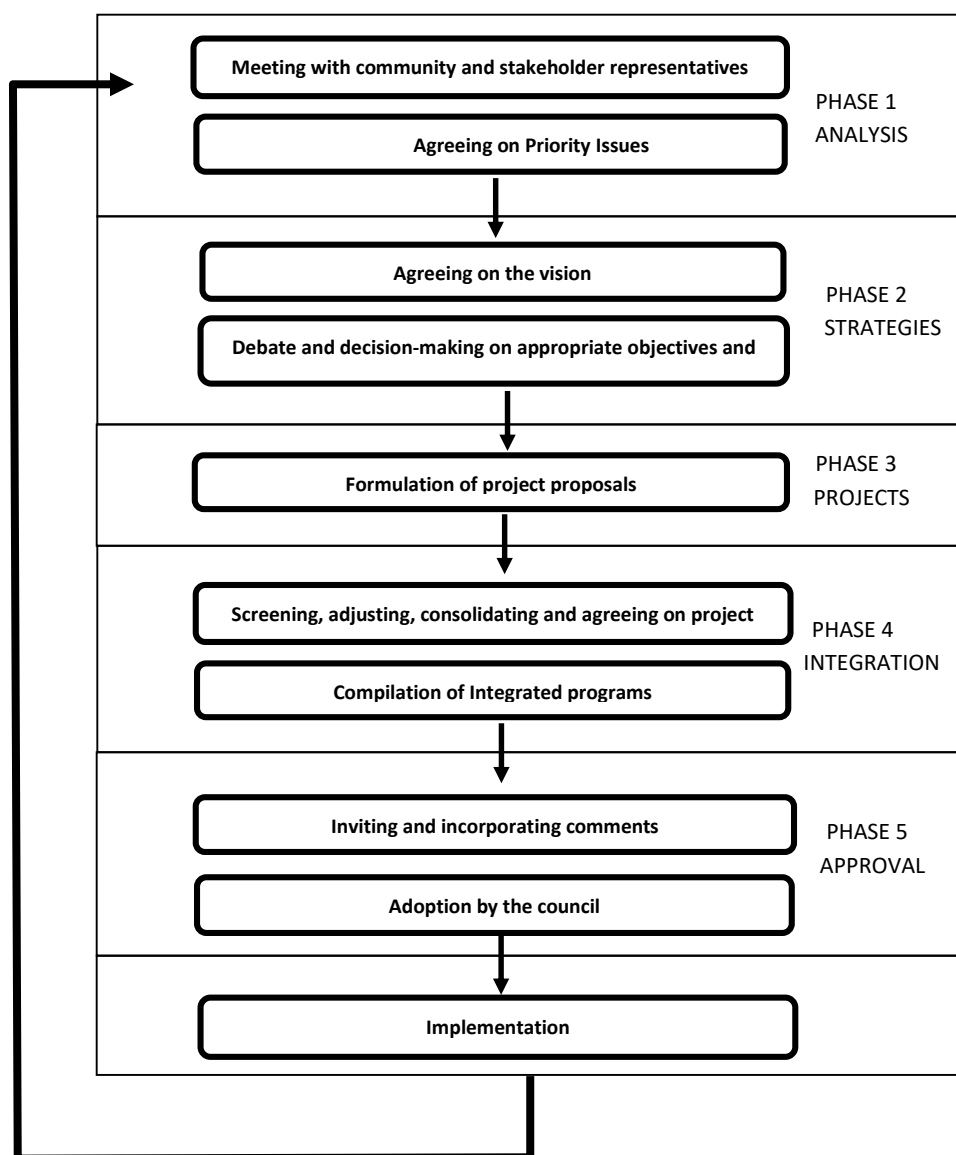
1.2. IDP Contents

The IDP development and content is informed by legislative framework; situational analysis; National, Provincial and District plans and policies such as the National Development Plan (NDP), the Medium-term Strategic Framework, the National Spatial Development Perspective (NSDP), the Eastern Cape Provincial Spatial Development Plan (ECPSP), the Eastern Cape Provincial Growth and Development Plan (ECPGDP), the Ukhahlamba District Growth and Development Summit (GDS), the Elundini 5 year Strategy, SONA and SOPA. The IDP also contains performance management system, service delivery and budget implementation plan and financial plan

1.3. Process Followed

1.3.1. Process Plan

The ELM 2020/2021 IDP and Budget Process Plan was noted by EXCO on 27 August 2019 with Resolution No. EXCO/281/19 was adopted by Council on 27 September 2019 Council Resolution No. CON/234/19. The Draft 2020/2021 IDP and Budget was adopted by Council on 26 March 2020, Council Resolution No. Con/45/20. The IDP Process as depicted in the figure below is a continuous cycle of planning, implementation and evaluation.



ELM 2020 – 2021 DRAFT IDP

1.3.2. Phases in the Development of the IDP

Table 3: Phases in the development of the IDP

PHASES	PERIOD	KEY EVENTS/ACTIVITIES	OUTPUT
Preparation	July 19 – Sept 19	<ul style="list-style-type: none"> Mayor begins planning for next three-year budget in accordance with co-ordination role of budget process; Accounting officers and senior officials of the municipality begin planning for next three-year budget; Accounting officers and senior officials of the municipality review options and contracts for service delivery; Process Plan prepared; Submit Process Plan to EXCO for noting and consideration on 29 August 2018 Submitted the Process Plan to Council for adoption 27 September 2018. IDP process plan advertised 1st IDP & Budget Rep Forum Meeting was held on 11 September 2018 	Approved Process Plan
Analysis	Oct 19 – Dec 19	<ul style="list-style-type: none"> Accounting officer does initial review of national policies and budget plans and potential price increases of services 2nd IDP & Budget Rep Forum Meeting held on 7 November 2018 Ward Committee Meetings 	Updated Situation Analysis
Objectives, Strategies & Projects	Nov 19 - Feb 20	<ul style="list-style-type: none"> District IDP Rep Forum Accounting officer and senior officials consolidate and prepare proposed budget and plans for next financial year taking into account previous year's performance as per audited financial statements Council finalizes tariff (rates and service charges) policies for next financial year Accounting officer reviews proposed national and provincial allocations to municipality for incorporation into the draft budget for tabling. (Proposed national and provincial allocations for three years must be available by 29 January) 	Draft Budget

ELM 2020 – 2021 DRAFT IDP

PHASES	PERIOD	KEY EVENTS/ACTIVITIES	OUTPUT
Integration	31 January 2020 – 31 March 2020	<ul style="list-style-type: none"> Strategic planning session to prioritize projects and programs IGR session to integrate programs and projects with other sector departments IDP Steering committee to prepare draft budget Accounting Officer finalizes and submits to Mayor proposed budgets and plans for next three-year budgets taking into account the recent mid-year review and any corrective measures proposed as part of the oversight report for the previous year's audited financial statements and annual report Accounting officer to notify relevant municipalities of projected allocations for next three budget years 120 days prior to start of budget year Elundini strategic planning session held from the 17 to 21 February 2020. Council to approve draft IDP & Budget in March 2020 	Strategic Framework & Draft IDP
Approval	April 2020 – June 2020	<ul style="list-style-type: none"> IDP Steering Committee Council adopts draft IDP & Budget Draft IDP & Budget submitted to MEC for Local Government and to Provincial Treasury DM Rep Forum IDP Rep Forum (draft IDP & budget) Advertise for comments & public participation Council interacts with public through ward meetings around draft Budget and IDP Mayor's strategic planning session IDP & Budget Rep Forum Council approves final IDP & budget Final IDP Submitted to MEC for Local Government and to Provincial Treasury Summaries of the adopted IDP and Budget published for public information SDBIP and draft performance agreements of Section 56 Managers submitted to Mayor and EXCO SDBIP and final performance agreements of section 56 Managers to be approved by Council 	Final IDP, Budget, PMS & SDBIP

1.4. Key Developmental Challenges

The situational analysis reflected the following as the overarching development challenges in Elundini's development:

- ✓ Huge infrastructure development backlogs
- ✓ High rate of unemployment with decreasing levels of employment in key economic sector (Agriculture)
- ✓ Low levels of skills development and literacy
- ✓ Limited access to basic household and community services;
- ✓ High dependency on government grant
- ✓ Loss of Natural Capital
- ✓ Unutilized suitable land for agriculture and forestry production
- ✓ Lack of value adding initiatives
- ✓ Unsustainable developmental practices
- ✓ Inadequate energy and water supply;
- ✓ Inadequate food security;
- ✓ Waste Management
- ✓ Cost recovery and revenue collection

1.5. IDP Assessments

Every effort is made by the municipality in addressing all issues raised on our IDP when IDPs are assessed. As can be noted from the table below, the municipality has improved and has consistently been getting high rating in all the KPAs assessed on over the last four (5) years:

Table 4: IDP Assessment Results

KPA	RATING 2014/2015	RATING 2015/2016	RATING 2016/2017	RATING 2017/2022	RATING 2018/2019	RATING 2019/2020
Spatial Development Framework	High	High	High	High	High	High
Service Delivery	Medium	High	High	High	High	Medium
Financial Viability	High	High	High	High	High	High
Local Economic Development	High	High	High	High	High	High
Good Governance & Public Participation	High	High	High	High	High	High

Institutional Arrangements	High	High	High	High	High	High
Overall Rating	High	High	High	High	High	High

1.6. IDP Assessment Response Plan

IDP Provincial Assessments were held on 30 July 2019 on the municipality's 2019 – 2020 IDP. The table below depicts areas that had been raised during IDP Assessments and the progress that has been made by the municipality in addressing them during the development of the 2020 – 2021 IDP:

Table 5: IDP Assessment Response Plan

KPA	AREAS THAT NEED IMPROVEMENT/EXPRESSION IN THE IDP DOCUMENT	PROGRESS TO DATE
1. Spatial Planning, Land and Human Settlements	-	-
1.4. Environmental Management		
1.4.1. Air Quality Management	a) Does the IDP reflect the presence of an air quality management plan (AQMP) as contemplated in Section 15(2) of the NEMA: Air Quality Act 39 of 2004	
1.4.2. Climate Change	a) Does the municipality have a climate change response strategy or activities that respond to climate change?	
1.4.3. Natural Environmental Analysis	b) Is there an indication of how the municipality intends to use and protect its natural resources/protected areas and heritage as its comparative and competitive advantage? e) Are there any projects that address environmental challenges g) Are there any environmental by-laws in place? How are they enforced?	

	<ul style="list-style-type: none"> h) Is there an indication of the capital projects that will require environmental authorization to comply with an EIA process? j) Does the IDP reflect National and Provincial Initiatives (human resources and projects)? 	
2. Service Delivery and Infrastructure Planning		
2.3. Waste Management Services	<ul style="list-style-type: none"> b) Does a municipality have a formally appointed and designated waste management officer? a) Does the Municipality have a Trade Effluent Policy? b) Is there a budget for Operations and maintenance being ring fenced for the above purpose? 	
1.5. Safe And Secure Environment	<ul style="list-style-type: none"> a) Does the municipality have an integrated community safety plan? 	
1.6. Disaster Management /Emergencies and Fire Services	<ul style="list-style-type: none"> a) Has Municipality reviewed the adopted Disaster Management Framework? b) Is the District/Metro disaster management centre established that meets minimum requirements i.t.o the National Disaster Management Policy Framework? c) Has the disaster management centre conducted vulnerability and risk assessment (both natural and man-made?) d) Has the disaster management centre developed strategies / programmes for community vulnerabilities and risks identified? e) Has the Municipality adopted a disaster management plan? 	

	<p>f) Is the municipal Spatial Development Plan informed by disaster vulnerability and risk assessment reports?</p> <p>g) Are emergency procurement measures stipulated in the disaster management plan?</p> <p>h) Are disaster management by-laws adopted?</p> <p>i) Is the municipality operating a fulltime fire service?</p> <p>j) Are fire services tariffs developed, adopted, implemented and periodically reviewed?</p> <p>k) Is there a plan to address veld and forest fires, oil spillages, floods?</p>	
2. Financial Planning and Budgets	No issues were raised	
4. Local Economic Development	No issues were raised	
5. Good Governance & Public Participation	c) Is there a Legal Management Sytem in place (litigation register)	-
6. Institutional Arrangements	a) Development of HR Strategy	-

In developing the 2020 – 2021 IDP, a reflection will be made on issues that were raised during the Provincial IDP Assessments held in July 2019. The municipality will make great strides to address issues that are within its capacity expect for the areas that it has no control over.

2.4. Powers and Functions

The Constitution indicates that the objects of local government are:

- ✓ To promote democratic and accountable government for local communities;
- ✓ To ensure the provision of services to communities in a sustainable manner;
- ✓ To promote social and economic development;
- ✓ To promote a safe and healthy environment; and
- ✓ To encourage the involvement of communities and community organizations in the matters of local government.

ELM 2020 – 2021 DRAFT IDP

Within this Constitutional role, powers and functions have been defined in terms of the Local Government: Municipal Structures Act as amended. The powers and functions indicated by **x** below indicate those powers and functions that are performed by either the JGDM or the Elundini Municipality or both:

Table 6: Powers and Function

FUNCTION	JGDM	ELM
SCHEDULE 4 PART B		
Air pollution	X	
Building regulations		X
Child care facilities		X
Electricity reticulation	X	X
Fire fighting	X as per regulation	X
Local tourism	X as per White Paper	X
Municipal airports		X
Municipal planning	X	X
Municipal Health Services	X	
Municipal Public Transport		X
Pontoons and Ferries		
Storm water		X
Trading regulations		X
Water (potable)	X	
Sanitation	X	
SCHEDULE 5 PART B		
Beaches and amusement facilities		
Billboards and the display of adverts in public places		X
Cemeteries, Crematoria and funeral parlours		X
Cleansing		X
Control of public nuisances		X
Control of undertakings that sell liquor to the public		
Facilities for the accommodation, care and burial of animals		X
Fencing and fences		X
Licensing of dogs		X
Licensing and control of undertakings that sell food to the public		X
Local amenities		X
Local sport facilities		X
Markets		X

Municipal abattoirs		X
Municipal parks and recreation		X
Municipal roads		X
Noise pollution		X
Pounds		X
Public places		X
Refuse removal, refuse dumps and solid waste disposal		X
Street trading		X
Street lighting		X
Traffic and parking		X
ADDITIONAL AGENCY FUNCTIONS PERFORMED		
Licensing of vehicles		X
Primary Health Care	X	
Road maintenance	X	

2.5. Intergovernmental Relations

The ELM has prioritized the IGR as one of its priority areas of focus to strengthen and has thus established an IGR structure that incorporates all IGR activities in the municipality that will also ensure that the structure is used as a reporting structure for all government activities. The ELM uses various platforms to promote intergovernmental relations and to interact with other government departments and State Owned Entities. These IGR platforms include, but not limited to, IDP & Budget Rep Forums, MUNIMEC, DIMAFO, SALGA Working Groups, Provincial and District Speakers' Forum, Local Communicators Forums, LED Forums, Roads Forums, Project Steering Committees, Local AIDS Forums, etc. One-on-one engagements where possible are usually held for strategic projects.

2.5.1. MUNIMEC

The MUNIMEC has been established in terms of the provisions of the Intergovernmental Relations Act as a consultative forum between the Eastern Cape Provincial Government and the 39 municipalities in the Eastern Cape Province. To give credence to output 7 of delivery outcome 9, the provincial department of Local Government and Traditional Affairs is responsible for coordinating the activities of MUNIMEC. The MUNIMEC is attended by Mayors and Municipal Managers of municipalities. The department has also constituted a technical MUNIMEC which is a forum between the departmental management as led by the Superintendent General and the Municipal Managers from municipalities. At the technical MUNIMEC and the MUNIMEC, reports from the 6 district municipalities and the Nelson Mandela Metro, inter alia, whose main focus is progress with the implementation of the municipal turnaround strategies within the DMs and their constituent

local municipalities as well as the Metro are presented and discussed. Both the Mayor and the Municipal Manager of the ELM participate and contribute in the provincial MUNIMEC.

2.5.2. District Mayors Forum: DIMAFO

The District Mayors Forum of Joe Gqabi District, chaired by the Mayor of JGDM, which is supposed to sit quarterly to align key programs and issues between municipalities. DIMAFO is a Section 79 Committee. This is a special committee of council made up of Councillors (in this case the Mayors of the local municipalities and the Executive Mayor of the district) that deals with issues within the Municipal Managers office (communications, IGR, Special Programs dealing with Women, Youth, Disabled, People living with Aids, Elderly and Children) as well as internal audit functions. Key elements that form part of the performance of the municipal manager also form part such as statutory compliance issues.

2.5.3. SALGA Working Groups

In order to share best practices in local government, SALGA has established a cluster of working groups. These working groups are replicated at a provincial level, and their structuring sometimes transcends the municipality's departmental divide. In order to ensure effective participation of the municipality into the SALGA working groups, the ELM has appointed the following councilors who will represent it not those working groups:

Table 7: Councillors Participating in SALGA Working Groups

COUNCILLOR	WORKING GROUP
N. Nkalitshana	Economic Empowerment and Employment Creation
S. Magadla	Environmental Planning and Climate Resilience
M. Mqamelo	Municipal Finance and Fiscal Relations
M. Naketsana	Community Development and Social Cohesion
M. Marubelela	Water, Sanitation and Waste Services
T. May	Public Transport and Roads
M. Leteba	Capacity Building and Institutional Resilience
V. Hokwana	Governance, Intergovernmental Relations and Councillor Welfare and Empowerment
Cllr Mbombo	Human Settlement and Municipal Planning
K. Mgijima	Municipal Innovation and Information Technology

The elected councillors have a responsibility of reporting back to the municipal council the deliberations and decisions taken on their respective clusters for the municipality to take its own appropriate decisions on the subject matter.

2.5.4. Traditional Leadership – Partnerships

In terms of the guidelines issued by the MEC for Local Government and Traditional Affairs in 2011, seven Traditional Leaders identified by the MEC are serving in the Municipal Council and its Committees with effect from 18 November 2011. Due to the rural nature of the Elundini Municipality, the participation of and cooperation with Traditional Leaders is critical for the success of the municipality's development programs. To this end the municipality has categorized Traditional Leaders as a key stakeholder that the Mayor converses with on a regular basis under the guise of Mayor's Conversations with stakeholders. In recognition of the valuable contribution of Traditional Leadership authorities in the programs of Elundini Municipality, the Council has adopted guidelines in terms of which assistance is being provided to Traditional Leaders on certain defined occasions.

2.6. Public Participation

One of the main features about integrated development planning and budget process is the involvement of community and stakeholder organizations in the process. This ensures that the IDP addresses the real issues that are experienced by the citizens. The Constitution stipulates that one of the objectives of municipalities is "to encourage the involvement of communities and community organizations in the matters of local government". The White Paper on Local Government also put emphasis on public participation. Through the Municipal Systems Act participation in the decision making processes of the municipality is determined to be a right of communities, residents and ratepayers. Integrated development planning is emphasized as a special field of public participation.

The ELM has a fully functional Public Participation Unit located in the Office of the Municipal Manager which is responsible for coordinating all public participation activities of the municipality. The ELM reviewed and approved its Public Participation Strategy in June 2018.

2.6.1. Public Participation Mechanisms

The following are some of the public participation mechanisms that the ELM uses in engaging with its communities:

- ✓ Ward Based Planning processes;
- ✓ Ward War Room meetings;
- ✓ IDP Representative Forum;

- ✓ Mayor's conversations with different stakeholders;
- ✓ Public Participation Forum;
- ✓ Ward community meetings convened by Councilors on quarterly basis;
- ✓ Published annual reports on municipal progress;
- ✓ Ward Committee meetings;
- ✓ Newspaper advertisements and notices;
- ✓ Making the IDP document available to all members of the public;
- ✓ Outreaches by Elundini Municipality to communities and Stakeholders;
- ✓ Use of loud hailers to invite communities to meetings;
- ✓ Information dissemination through the Blue Snow/ Lehloa Le Bolou newsletter and The Back of the Horizon;
- ✓ Stakeholder Forums such as Farmers' Forum; Local Communicators Forums; Local AIDS Council; Roads Forums; Elundini Sports Council; Elundini Youth Council; PWD Structure; etc.

2.6.2. Public Participation Challenges

As part of reviewing the strategy, the public participation performance of the institution was assessed. Functionality of public participation platforms such as ward Committees, village and township-based meetings and war rooms was assessed. The following issues were identified as challenges for effective participation of communities in the affairs of the municipality:

❖ Ward Committees

- ✓ Lack of capacitation of the ward committees
- ✓ Lack of capacity of chairpersons of the ward committees
- ✓ Lack of proper mechanism to uplift the issues raised at ward committee level to relevant structures and eventually to council for implementation and feedback
- ✓ Poor or lack of monitoring of wards performance

❖ Village Meetings

- ✓ Poor sitting of village meetings which leads to ineffective utilization of CPLWs.
- ✓ Lack of training in minute taking and report writing for the CPLWs
- ✓ Lack of proper system for information management from the community to the municipality and sector departments for report back
- ✓ Minimal commitment from CPLWs who resign frequently
- ✓ Chairpersons' competing commitments mostly with programs of the district municipality to the detriment of local municipal programs

❖ Information Management

- ✓ Poor recording of information including minutes during public participation engagements
- ✓ Lack of information management system to process and
- ✓ There is no clear flow of information between the different platforms
- ✓ No relationship between the IDP outreaches, the village meetings, the ward committee meetings and the Public Participation Forum

2.7. Communications

The ELM has reviewed and adopted its Communications Strategy in 2017 implementable until 2022. A fundamental difference between the previous strategy and the reviewed strategy is the embracing of social media as one of the key strategic communication platforms for effective and instant communication. Social media has been added as the fourth pillar in the strategy. The strategic thrust of this communication strategy is the following:

- Social media communication
- Information technology-based communication,
- Meet and Greet communication and
- Print communication.

The strength of this communication strategy will lie heavily on social media, meet and greet, and print communication. Information Technology-based communication will be used whenever possible and feasible or whenever resources allow. As a means of interacting and providing information to its communities, the municipality quarterly distributes its newsletter, Blue Snow, to its communities where communities are kept informed by the developments in their areas. ELM maintains its website, primarily to respond to legislative imperatives but also, developmentally, to provide meaningful feedback to communities.

As part enhancing communication with and within ELM, the municipality has in 2018/19 for the first time developed Social Media Policy; Communication and Media Policy.

2.7.1. Community Participation and Community Issues

Community/Ward Based Planning (CBP/WBP) is a tool that is used to enhance participation of communities in local developmental processes. It was introduced to encourage ownership by communities in any development initiative in their areas.

Ward Committees have been established in the seventeen (17) wards of the municipality and their term of office will run with the term of Council. Ward Committees contribute tremendously in the development of ward priorities because their meetings are the first level where ward development issues are deliberated. Below are the Issues raised in ward committee meetings that are held every quarter which are tabled before council and submitted to relevant sector departments for action.

Table 8: Issues raised in Community meetings

DEPARTMENT	PRIORITY NEED	WARD
Elundini Local Municipality	<ul style="list-style-type: none"> Access road from Dalibango, from Nyibiba to Elunyaweni, Joseph, Madwaleni 	1
	<ul style="list-style-type: none"> Access road in Soccerfield, Land Camp Road maintenance in Mandela Park, Bhekela 	2
	<ul style="list-style-type: none"> Road maintenance in Polar Park, Maxhegweni, Sonwabile Electricity in Tuin Blocks 	3
	<ul style="list-style-type: none"> Road in Mission, Saqhuthe, Qobeni to Mission, Ngqwaneni Road maintenance in Ndingeni, Popcorn Valley, Sigoga Bridge in Platana, Nqwaneni to Mcwangele Electricity in Qobeni, Mrholwane and Platana 	4
	<ul style="list-style-type: none"> Access road in Mbonisweni, Lower Ntywenka, Mountain, Hopedale, Ntabelanga, Mcwangele Bridge in Mbonisweni, Sithana to Mcwangele 	5
	<ul style="list-style-type: none"> Access road in Goniwe, Lower Ntywenka, Queen Noti, Ngcele, Sommerville Bridge in Ngxotho and Pedestrian Crossing in Goniwe 	6
	<ul style="list-style-type: none"> Access road in Mafusini, Upper Nxaxha, Ramlane Road maintenance in Botshabelo, Upper Nxaxha Clinic Bridge in Fokotshane Electricity in Bothsabelo Community Hall. 	7

ELM 2020 – 2021 DRAFT IDP

	<ul style="list-style-type: none"> • Access road in Thutsing, Lithoteng, Nkobong, Luzie Drift • Bridge in Luzie Drift, Mokhalong, Nkobongo and Pedestrian Crossing in Luzie Poort. • Electricity in Mokhalong, Nkobongo, Ntabelanga and Lithoteng 	8
	<ul style="list-style-type: none"> • Road maintenance in Ilisolomzi 	9
	<ul style="list-style-type: none"> • Access Road in Mbambangwe, Zone 14, Ezingonyameni, Westhoek • Road maintenance in Ezingonyameni, Silindini and Siyalwini • Bridge in Ntlombe to Polar Park and Silindini • Electricity in Siyalwini, Silindini, Zone 14, Westhoek and Skote 	10
	<ul style="list-style-type: none"> • Access road in Gobho, Zone 14, Farview, Khalazembe • Electricity in Matsoane 	11
	<ul style="list-style-type: none"> • Access road in Lehlakaneng 	12
	<ul style="list-style-type: none"> • Access road in Ntoko, Mashata, Koebung JSS to Somerset, Phirintsu • Road maintenance in R56 to Dzingwa, Nxotshana and Tabase • Bridge in Nxotshana, Sethathi, Maluti to Sigingqini • Electricity in Phirintsu, Koebung and Nxotshana 	13
	<ul style="list-style-type: none"> • Access road in Setabataba, Phuthing to Zindawo, Ntabelanga • Road maintenance in Nkumandeni • Bridge in Vuvu • Electricity in Vuvu, Thabakgubedu, Sathube, Makhoaseng, Nqalweni 	14
	<ul style="list-style-type: none"> • Electricity in Khalatsu and Liphofung 	15

ELM 2020 – 2021 DRAFT IDP

	<ul style="list-style-type: none"> Access road in Tsekong, Pitoli to Nkalweni, Mcambalala, Chevy-chase, Koloni Road maintenance in Kete-kete Bridge in Koloni (cracking) and Pitoli. 	16
	<ul style="list-style-type: none"> Access road in Gqaqhala-Ndoda, Gqaqhala-Ngxothwana Road maintenance in Mbidlana Bridge in Gqaqhala / Ndlozi 	17

DEPARTMENT	PRIORITY NEED	WARD
Dept. of Social Development & Special Programmes	<ul style="list-style-type: none"> Early childhood development centre in Mtshezi and Mountain 	5
	<ul style="list-style-type: none"> Early childhood development centre in Mqokolweni 	6
	<ul style="list-style-type: none"> Early childhood development centre Mashata, Tabase, Phirintsu 	13
	<ul style="list-style-type: none"> Early childhood development centre in Thabakgubedu 	14

DEPARTMENT	PRIORITY NEED	WARD
Dept. of Health	<ul style="list-style-type: none"> Mobile Clinic in Palisa, Lututu and Joseph 	1
	<ul style="list-style-type: none"> Mobile Clinic in Hlangalane 	7
	<ul style="list-style-type: none"> Mobile Clinic in Nkobongo, Mfanta, Luzie Drift and Lithoteng, 	8
	<ul style="list-style-type: none"> Mobile Clinic in Tsolobeng 	10
	<ul style="list-style-type: none"> Extension of clinic in Mangoloaneng 	12
	<ul style="list-style-type: none"> Mobile Clinic in Ntoko, Mohoabatsane and Koebung 	13
	<ul style="list-style-type: none"> Mobile Clinic in Khalatsu 	15

DEPARTMENT	PRIORITY NEED	WARD
DRDAR	<ul style="list-style-type: none"> Fencing of mielie-fields in Sommerville 	6
	<ul style="list-style-type: none"> Dipping tank in Mpharane 	10

ELM 2020 – 2021 DRAFT IDP

	<ul style="list-style-type: none"> • Shearing shed in Nxotshana, Mohoabatsane and Seqhobong • Assistance on farming projects in Ntoko. • Land for cultivation in Tabase and Phirintsu 	13
	<ul style="list-style-type: none"> • Fencing of ploughing fields • Dipping tank in Refele and Lehana's Pass • Building / Infrastructure for Upper Thokoana shearing shed 	14
	<ul style="list-style-type: none"> • Farming for old age in Qolweni and Taung 	16

DEPARTMENT	PRIORITY NEED	WARD
South African Police Service	Measures to reduce high Crime rate	1
	Measures to reduce high Crime rate	2
	Measures to reduce high Crime rate	7
	Measures to reduce high rate of stock theft	
	Nxaxha Gorge community request to be serviced by the Katkop Police Station not Sulenkama as it is far from them	
	Measures to reduce high rate of stock theft	14

DEPARTMENT	PRIORITY NEED	WARD
SASSA	Pay-points in Palisa and Lututu	1

DEPARTMENT	PRIORITY NEED	WARD
Department of Transport	Scholar transport from Diphini village to Mbonisweni JSS	5
	Scholar transport from Lower Khohlopong and Ramlane village to Khohlopong JSS.	7

DEPARTMENT	PRIORITY NEED	WARD
Joe Gqabi District Municipality	<ul style="list-style-type: none"> • Maintenance of water taps in Mission • Provision of water in Palisa, Trustini, Drayini, Bangwayo, Cicira and Madwaleni 	1
	<ul style="list-style-type: none"> • Spring protection in Bekela 	2

	<ul style="list-style-type: none"> • Overflowing toilets are a health hazard in Soccerfield, Mandela Park, Land Camp and Ugie Park 	
	<ul style="list-style-type: none"> • 	3
	<ul style="list-style-type: none"> • Toilets in Matuguru, Saqhuthe, Khohlomoriti and Ndingeni • Spring protection and clean water in Mission, Platana, Saqhuthe, Sigoga, Khohlomoriti, Ndingeni, Komkhulu, Diphini, Ngqwaneni, Mabalane and Mlamla 	4
	<ul style="list-style-type: none"> • Toilets in Mcwangele and Ntushu-ntushu • Spring protection and clean water in Ntushu-ntushu, Ngcele, Kwatsha and Goniwe 	5
	<ul style="list-style-type: none"> • Spring protection and clean water in Ngcele, Ntywenka and Ngcele Down 	6
	<ul style="list-style-type: none"> • 	7
	<ul style="list-style-type: none"> • Toilets in Luzie Poort • Spring protection and clean water in Luzie Poort 	8
	<ul style="list-style-type: none"> • Spring protection and clean water in Mbeki 	9
	<ul style="list-style-type: none"> • Toilets in Mbambangwe and Nkalweni • Spring protection and clean water in Mbambangwe, Ezingonyameni, Mparane, Zone 14 and Mjika 	10
	<ul style="list-style-type: none"> • Toilets in Fletcherville, Likonyeleng, Mabalane and Leratong • Spring protection and clean water in Mahlathini 	11
	<ul style="list-style-type: none"> • 	12
	<ul style="list-style-type: none"> • Toilets in Nxotshana, Mashata and Mohoabatsane • Spring protection and clean water in Tabase, Phirintsu and Mohoabatsane 	13
	<ul style="list-style-type: none"> • Toilets in Setabataba, Zanyeni, Thutsini, Khanya, Ntabelanga, Refele, Makhoaseng 	14

ELM 2020 – 2021 DRAFT IDP

	<ul style="list-style-type: none">• Spring protection and clean water in Vuvu, Thabakgubedu, Satube, Makhoaseng and Lehana's Pass	
	<ul style="list-style-type: none">• Toilets in Nkululekweni	15
	<ul style="list-style-type: none">• Toilets in Karadokhwe, Ntatyani, No. 5, Qolweni, Taung	16
	<ul style="list-style-type: none">• 	17

ELM will conduct IDP/Budget outreach meetings from 20-24 April 2020 as contained in the 2020/2021 IDP/Budget Process Plan. In table 9 below is the list of community needs raised by communities during outreach meetings of previous years.

ELM 2020 – 2021 DRAFT IDP

The table below will depict issues raised by communities during the Mayor's Outreach:

Table 9: IDP Outreach Ward Priorities

WARD	LIST OF PRIORITIES 17 – 23 APRIL 2018	LIST OF PRIORITIES 21-23 MAY 2019	LIST OF PRIORITIES 20-24 APRIL 2020
1	<p><u>Trustini / Maweni / Palisa</u></p> <p>Water taps</p> <p><u>Tafeni / Joseph / Mamfengwini</u></p> <p>Access road from main road to Tafeni and access road from DR2018 via Nondaba</p> <p><u>Cicira</u></p> <p>Electricity infills, access road, clean drinking water</p> <p><u>Maplotini</u></p> <p>Access road</p> <p><u>Montgomery</u></p> <p>Jojo tanks</p> <p><u>Joseph</u></p> <p>Access road</p> <p><u>Nigel</u></p> <p>clean drinking water</p> <p><u>Mission & Nxoxo</u></p> <p>Taps do not have water</p>	<p><u>Trustini</u></p> <p>Access road to Zabasa, toilets for new households, clean drinking water, upgrading of playing grounds,</p> <p><u>Nkalweni</u></p> <p>Clean drinking water, free basic electricity, indigent support, clinic, assistance of disaster victims, completion of community hall, electrification of Infills, and library.</p> <p><u>Montgomery</u></p> <p>Access road, electricity at school, clean drinking water.</p> <p><u>Nigel and Cicira</u></p> <p>Water taps</p> <p><u>Lalini and Joseph and Sihlehlani</u></p> <p>Access road</p> <p><u>Elunyaweni</u></p>	

ELM 2020 – 2021 DRAFT IDP

	<p>Maintenance of road from Rocky Park to Nkalweni and Drayini; Access road (Manfengwini); wattle tree cutting (Ngingane)</p>	<p>Completion of electricity infills, non-function of Library, shearing shed, playing grounds</p> <p><u>Drayini</u> Access road and playing grounds</p> <p><u>Phalisa and Ntendelese</u> Electricity extention</p> <p><u>Luthuthu</u> Paypoint, access road to Delibawo</p> <p><u>Nyibiba</u> Electricity infills, access road from Langeni road, playing grounds, RDP houses</p>	
2	<p><u>Old Location</u> Access road from Old Location to Bholeni, Sewer tanker, RDP houses, Shelters in bus stops, shelters for hawkers</p> <p><u>Mandela Park</u> Road maintenance, new toilets, land for agricultural purposes, sites for farming, sportsfield</p> <p><u>Bhekela</u> Road maintenance, sites for churches, Scholar Transport from various townships to ET Thabane School</p>	<p><u>Old Location</u> Access road to Bholeni, Maintenance of High Mast lights, Honey sucker</p> <p><u>Mandela Park</u> Road maintenance, new toilets, land for agriculture, sites for farming, pedestrian bridge, fixing of water pipes.</p> <p><u>Bhekela</u> Road maintenance, drains, community hall, pedestrian bridge</p>	

ELM 2020 – 2021 DRAFT IDP

		<u>Ugie Park</u> Water pipes, road maintenance, honey sucker,	
3	<u>Clearview</u> Funding and equipment for hospice; RDP houses at the open space in Clearview, <u>Sithole</u> Learner escorts from Sithole to school; <u>Tuin Blocks</u> Electricity in Tuin Blocks; <u>Town</u> Cutting of wattle trees in front of Maclear Hospital, stormwater drainage, pavement and maintenance of access road (Town)	<u>All townships</u> <ul style="list-style-type: none"> • Water is not available in the taps • Fencing of quarry. • New descent toilets must be built • RDP Houses. • Building of a mall was promised but never built. • Stormwater drainage system in all streets in town especially next to the hospital. • Monitoring of projects • Trained SMEs must be given opportunity in government tenders • Street cleaning in all townships • Electricity infills • Title deeds • Sucking of toilets • Fencing of graveyards • Proper purification of water <u>Peter Mokaba</u> <ul style="list-style-type: none"> • Pedestrian bridge for children to school • Grazing land for animals 	<ul style="list-style-type: none"> •
4	<u>Upper Tsitsana</u>	<u>Sigoga</u>	

ELM 2020 – 2021 DRAFT IDP

	<p>Pedestrian bridge to Komkhulu, free public phone to call Eskom, RDP houses, water taps closer to households, pension paypoint,</p> <p><u>Matuguru</u></p> <p>Reconstruction of Bridge, RDP houses</p> <p><u>Lower Tsitsana / Qobeni</u></p> <p>Access road from Mabheleni to Qobeni via Mission to the road to Upper Tsitsana, Colbert at Gxubane river, RDP houses.</p> <p><u>Platana</u></p> <p>Access Road, RDP houses</p> <p><u>Mission</u></p> <p>Medication in clinic , RDP houses, Community hall</p> <p><u>Tsikarong</u></p> <p>Water taps in streets, access road, RDP houses</p> <p><u>Mabalana</u></p> <p>Electricity, Water, Access road, RDP houses</p> <p><u>Namba</u></p> <p>Clean drinking water, RDP houses</p> <p><u>Khohlomriti</u></p> <p>Access road to Bhekela, RDP houses</p> <p><u>Sigoga</u></p> <p>Access road, water, pension paypoint, RDP houses</p>	<p>Water, access road, electricity infills,</p> <p><u>Komkhulu Village</u></p> <p>Water, RDP, bridge and pedestrian bridge</p> <p><u>Mlamla Village</u></p> <p>Gravel for access road, culvert,</p> <p><u>Mcwangele Village</u></p> <p>Scholar transport, toilets, bridge, access road</p> <p><u>Qobeni Village</u></p> <p>Road maintenance from Qobeni to Kohlomoriti,</p> <p><u>Matuguru Village</u></p> <p>Bridge;</p> <p><u>Namba Village</u></p> <p>Bridge from Namba to Sakhuthe, access road;</p> <p><u>Elundini Village</u></p> <p>Access road, toilets, water tanks, fixing of network problem, bridge, community hall</p> <p><u>Tsikarong Village</u></p> <p>Water, toilets</p>	
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ELM 2020 – 2021 DRAFT IDP

	<p><u>Nqwaneni</u></p> <p>Access Road to Mcwangele, RDP houses</p> <p><u>Mlamla</u></p> <p>Three colberts in Mission, Komkhulu and Mlamla, RDP houses</p> <p><u>Popcorn valley</u></p> <p>Stormwater drainage system, construction of streets, RDP houses</p> <p><u>Elundini</u></p> <p>Network, electricity, RDP houses, Access Road to Mokgorwane</p> <p><u>All villages of the ward</u></p> <p>RAFI Programme, Dish for TV signal</p>		
5	<p><u>Hopedale / Ngxaza /Lower / Mountain</u></p> <p>Community Hall, 2 bridges between Hopedale and Mbonisweni, Low-lying bridge in Lower Ngxaza, Access road in Mountain, Kwatsha to Hopedale and Sidakeni, Speed Humps and sucking of toilets, water tanks or drinking water.</p> <p><u>Ntabelanga</u></p> <p>Access Road, Water taps, RDP houses, Electrification of infills, Toilets, Mobile Police Station, Building of pre-</p>	<p><u>Ntabelanga</u></p> <p>Road Maintenance, Electrification of RDP Houses</p> <p><u>Goniwe</u></p> <p>Blading of access roads, protection of spring water, RDP houses, water taps.</p> <p><u>Sithana</u></p> <p>Blading and construction of access road, water, fencing of mielie fields, completion of toilets,</p>	

ELM 2020 – 2021 DRAFT IDP

	<p>school, reconstruction of national road, Medical doctors at least three times a week in clinic</p> <p><u>Upper/LowerNtywenka / Mpunkone</u></p> <p>Access road, water and water taps, RDP houses, pre-school.</p> <p><u>Sithana</u></p> <p>Access Road, Water, Grading of roads, employment opportunities</p> <p><u>Ntushuntushu</u></p> <p>Electrification of 19 infills, network poles, RDP houses, road maintenance</p> <p><u>Ngcele</u></p> <p>Water, Early Childhood Development Centre, school visits by Home Affairs</p> <p><u>Mbonisweni</u></p> <p>Access road, RDP houses, Bridge in Ngxaza and Diphini, repair of stormwater pipe, soil rehabilitation</p>	<p><u>Lower Ngxaza</u></p> <p>Completion of toilets</p> <p><u>Mountain Road</u></p> <p>Blading and construction of access road, electrification of RDP houses, problem of bridge, fencing of mielie fields, water taps, temporal structure for destitute,</p> <p><u>Ngcele-Kwatsha</u></p> <p>Blading and construction of access road, RDP houses, toilets for new households,</p> <p><u>Mtshezi</u></p> <p>Water taps, Community Hall, toilets for new households, Pre-school, blading of village roads, fencing of mielie fields,</p> <p><u>St Augustine- Mahlubini</u></p> <p>Road Maintenance, water not available from the water taps, reconstruction of bridge to the village</p> <p><u>Hopedale</u></p> <p>Blading of access road, water taps, electrification of 16 households, toilets for 26 households, CPLW for Zwelitsha</p> <p><u>All villages</u></p>	
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ELM 2020 – 2021 DRAFT IDP

		Free Basic Electricity, electrification of extensions.	
6	<p><u>Gugwini / Queen Noti Clinic</u></p> <p>Construction of access road to clinic, access road from Ntlangeni Busstop to Jamangile SSS, extension of clinic size, services and addition of staff, security guards at Jamangile SSS, digging of boreholes</p> <p><u>Upper Ntywenka</u></p> <p>Access road construction from Bottle Store busstop to cross Upper Ntywenka village and join the access road in Mtshezi.</p> <p><u>Eziflatini</u></p> <p>Construction of access road from Mtshemla busstop to Eziflatini, clean drinking water, fencing and building of day care centre, RDP houses.</p> <p><u>Ngcele</u></p> <p>Access road construction from Queen Noti, Ngcele, Eziflatini and Ngcele Down, High mast lights, chemical to treat Jojo tanks, sucking of toilets</p> <p><u>Mqokolweni</u></p> <p>Access road and bridge, toilets for the clinic, extension of clinic size or provision of temporal structure.</p>	<p><u>Egugwini</u></p> <p>Access road to clinic for health and other services.</p> <p><u>Ngcele</u></p> <ul style="list-style-type: none"> • Access road on main road via Jamangile to target major routes, • Main road via Queen Noti, Ngcele, Eziflatini and Ngcele down • High mast lights because of crime • Chemical to treat germs from the existing household tanks • Sucking of toilets <p><u>Mqokolweni</u></p> <ul style="list-style-type: none"> • Access road was done but not finalised and it also needs maintenance. • Pedestrian bridge for school children • Toilets for the clinic and extension of the clinic even if it is a container 	<ul style="list-style-type: none"> •

ELM 2020 – 2021 DRAFT IDP

	<p><u>Ngxoto</u> Water, access road, electricity</p> <p><u>Ngcele Down & Komkhulu</u> Blading and maintenance of access road, speed humps, RDP houses</p> <p><u>Lalini</u> Soil erosion, RDP houses, maintenance of access road.</p>	<ul style="list-style-type: none"> • Electrification of security building at the clinic • Bridge at eMaxesibeni and Mpukane • Regular government visits to early childhood development centres • Intensive monitoring of contractors <p><u>Mpukane</u></p> <ul style="list-style-type: none"> • Access road because vehicles cannot access the village. • Sports field • RDP houses • Electricity for infills and new households and poles for extensions • Urgent attention must be given to storm water pipes that overflow to the house of the community member. <p><u>Jamangile S. S. S.</u></p> <ul style="list-style-type: none"> • Request access road via Jamangile when it is raining the school is inaccessible • Request for the adoption of school by Municipality because this is one of school 	
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ELM 2020 – 2021 DRAFT IDP

		<p>with unique streams like Engineers, welding and drawing</p> <ul style="list-style-type: none"> • Request security guard at school • Finalisation of Ngcele sports field • Request boreholes to supply community with water • Ngxotho access road to be built for ease of access of children to Jamangile <p><u>Ngxotho</u></p> <ul style="list-style-type: none"> • Water, municipality to provide water tanks, access road, electricity, bridge <p><u>Nkolosane</u></p> <ul style="list-style-type: none"> • Construction of road not completed • Fixing of blocked storm water • RDP houses • Clean drinking water, people are drinking with animals <p><u>Qurana</u></p> <ul style="list-style-type: none"> • Increase number of Mayoral Cups biannually. • Sportsfield in Qurana and Sommerville <p><u>Siqhungqwini</u></p> <ul style="list-style-type: none"> • Closing of Donga's caused by soil erosion • Maintenance of access road • RDP Houses • Dipping tanks 	
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ELM 2020 – 2021 DRAFT IDP

		<p><u>Eziflatini</u></p> <ul style="list-style-type: none"> • Access Road, access to clean purified water <p><u>Queen Noti Clinic</u></p> <ul style="list-style-type: none"> • Construction of access road, <p><u>Upper Ntywenka</u></p> <ul style="list-style-type: none"> • Access road, Water, electricity for new households <p><u>Lower Ntywenka</u></p> <ul style="list-style-type: none"> • Access road from Phelandaba to Ntywenka JSS • Water • RDP houses <p><u>Lower Sinxako</u></p> <ul style="list-style-type: none"> • Access road <p><u>Upper Sinxako</u></p> <ul style="list-style-type: none"> • Request access road • Request water engine has problems 	
7	<p><u>Sophonia</u></p> <p>Satellite Police Station</p> <p><u>Esigcwabeni</u></p> <p>Access road from kwaZulu Police Station to Esigcwabeni</p> <p><u>Bothsabelo</u></p> <p>Maintenance of Ngqayi Bridge</p>	<p><u>Mafusini</u></p> <p>Water, bridge from Katkop to Mafusini and Nkunyana.</p> <p><u>Ngqayi</u></p> <p>Water, Mobile Clinic, bridge from Botsabelo to Diphini</p> <p><u>Zwelitsha</u></p>	

ELM 2020 – 2021 DRAFT IDP

	<p><u>Mafusini</u> Access Road</p> <p><u>Magwaca / Nkahlulo</u> Access Road between Nkahlulo and Ezigatini, Cutting of trees / bush at Nkahlulo JSS</p> <p><u>Marhoqa</u> Access Road</p>	<p>Road maintenance, bridge, community hall, RDP houses, new shearing shed closer to the community</p> <p><u>Ngxaxha</u> Electricity, Road maintenance and a bridge, RDP houses, Water, shearing shed.</p> <p><u>Khohlombeni</u> Access road and two (2) bridges, RDP houses</p> <p><u>Tyeni</u> Access road from clinic to Kat-Kop, pre-school, RDP houses</p> <p><u>Golomane</u> Road construction, water, police patrol, two bridges</p> <p><u>Marombe</u> Road maintenance, bridge from Marombe to Nkahlulo JSS, pre-school</p> <p><u>Magwaca</u> Toilets, bridge to Nxaxha</p> <p><u>Sgcwabeni</u> Pre-school teacher, bridge, access road</p> <p><u>Mbekweni</u> Water, Bridge to Nkunyana school</p>	
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ELM 2020 – 2021 DRAFT IDP

		<p><u>Kat-Kop</u></p> <p>Shearing shed, Water, addition of nurses at the clinic, community hall, access road, playgrounds</p> <p><u>Goji Village</u></p> <p>Community hall, access road from school and its maintenance.</p>	
8	<p><u>Luzie</u></p> <p>Upgrading of Access road to Pitseng, construction of speed humps opposite school, construction of pedestrian bridge, electrification</p> <p><u>Ntabelanga</u></p> <p>Electrification of all households, upgrading of access road, shortage of water</p> <p><u>Mfanta</u></p> <p>Construction of decent toilets, provision of gravel to maintain roads, protection of springs, fencing of fields</p> <p><u>Luzie Poort</u></p> <p>Water, upgrading of access road, maintenance of pedestrian bridge, provision of water tanks</p> <p><u>Moreneng</u></p>	<p><u>JOJWENI</u></p> <ul style="list-style-type: none"> • Theft of live stock • Request electricity in the village • Request sport field • Request toilets at Jojweni <p><u>BATLOKOA</u></p> <ul style="list-style-type: none"> • Request RDP housing • Request access road from R56 road to the village • Request clinic near the school <p><u>MABAMBENI</u></p> <ul style="list-style-type: none"> • Request water in the village • Request electricity • Request Pre-school for children • Request toilets <p><u>UMFANTA AND NTABELANGA</u></p> <ul style="list-style-type: none"> • Request addition of water taps in the village • Request gravel for access road • Request clinic 	

ELM 2020 – 2021 DRAFT IDP

	<p>Electrification of households, provision of VIP toilets, Water, RDP houses, Upgrading of Access road from Chief Lehana's place to Mabambeni, construction of clinic</p> <p><u>Pitoli</u></p> <p>Upgrading of access road from R56 to Nkobongo, bridge, electricity</p> <p><u>Sigodini</u></p> <p>Construction of community hall, electrification of infills, toilets for infills, upgrading of access road, maintenance of springs</p> <p><u>Lithuteng</u></p> <p>Gravelling of access road, Water, toilets</p> <p><u>Mokgolong</u></p> <p>Electrification of households</p>	<ul style="list-style-type: none"> • Request electricity at Mfanta not all household have electricity • Request RDP housing <p><u>MOROKA</u></p> <ul style="list-style-type: none"> • Request gravel on the road from R56 to Moroka • Request better toilets • Request Clinic • Request community hall • Request sport fields for youth • Request electricity <p><u>LUZIE DRIFT</u></p> <ul style="list-style-type: none"> • Access road at Maqalaneng from DR01808 to Junior • Access road from DR01808 via the shearing Shed • Request water • Request sport field <p><u>DITHUTENG</u></p> <ul style="list-style-type: none"> • Request access road to be expanded to the end of the village • Request water <p><u>MOKGALONG</u></p> <ul style="list-style-type: none"> • Request access road to be gravel • Request electricity • Request sharing shed <p><u>NKAMANE</u></p> <ul style="list-style-type: none"> • Request access road to be revised with gravel • Request electricity 	
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ELM 2020 – 2021 DRAFT IDP

		<ul style="list-style-type: none"> Request water <p><u>NKOBONGO</u></p> <ul style="list-style-type: none"> Access road towards Nkobongo from the R56 at Zwelitsha the small bridges have been damaged by the summer rains EPWP not doing road maintenance Request electricity Request water <p><u>MORENENG</u></p> <ul style="list-style-type: none"> Request access road through the village towards the plantation which is also very busy towards removal of the black wattle tree. Castle rocks village Sgoga request access road with a bridge over the bottom part of Luzie River. Request electricity Request water Request sharing shed <p><u>NTABELANGA</u></p> <ul style="list-style-type: none"> Request electricity Request water <p><u>MAKHANDLELENI</u></p> <ul style="list-style-type: none"> Request electricity <p><u>SIGODINI</u></p> <ul style="list-style-type: none"> Request water <p><u>ZIGADINI/ZIMBANE</u></p> <ul style="list-style-type: none"> Request water 	
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ELM 2020 – 2021 DRAFT IDP

		<p><u>MBIZENI</u></p> <ul style="list-style-type: none"> Request water <p>The Youth also requested if one of the schools that are said will be closed they request for one of those to be made a school where the youth could be taught technical type of work.</p>	
9	<p><u>Ephanette Mbeki</u></p> <p>Electricity instead of solar system</p> <p><u>Town</u></p> <p>Speed humps next to Mount Fletcher High school, clinic</p> <p><u>Katlehong</u></p> <p>Maintenance of access road</p>	<p><u>All townships</u></p> <p>Upgrading of electricity, upgrading of sanitation, fencing of graveyards</p> <p><u>Thembeni</u></p> <p>Sanitation system</p> <p><u>Solomzi</u></p> <p>Building of Ilingeletu school, speed humps at Mjamba street.</p> <p>TOWN</p> <p>Banks, municipal seat to be Mount Fletcher, sucking of toilets, removal of skip bins next to the households, enforcement of by-laws, distribution of refuse bags, collection of refuse</p>	
10	<p><u>Mathafeni No. 1</u></p> <p>Water, electricity for infills</p>	<p><u>Skote</u></p>	

ELM 2020 – 2021 DRAFT IDP

	<p><u>Skote</u> Road maintenance, electricity, community hall, RDP houses</p> <p><u>Siyalwini</u> Electricity, bridge and road maintenance, RDP houses, water</p> <p><u>Mpharane</u> RDP houses, Access road from R56 to Mpharane, water taps nearer the households, electricity for infills</p> <p><u>Mjika</u> Access road from Nkalweni to Silindini, water, RDP houses</p> <p><u>Xaxazana</u> Sportsfield, RDP houses, projects for job creation</p> <p><u>Nkalweni</u> Water, two bridges</p> <p><u>Westhoek</u> Water, Road, electricity</p>	<p>Clinic, RDP Houses, electricity, monitoring of projects like road construction since culverts seem to be badly installed.</p> <p><u>Nkalweni</u> Water, non-attendance of these meetings by other government departments, community hall, toilets for churches, opening and closing hours of the clinic not suitable for emergencies,</p> <p><u>Westhoek</u> 2019/2020 Service delivery plan for Westhoek, service delivery complaint channels, non-employment of communities from 36 years, problem of not RDP houses not built for someone who worked before.</p> <p><u>Ezingonyameni-Emizini</u> Water, access road to schools and shearing shed</p> <p><u>Esilindini</u> Water, honey-sucker, access road and bridge,</p> <p><u>KwaDzingwa</u> Access road in Mahobe must be extended to Plantation village, capacitation and equipment for farming</p>	
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ELM 2020 – 2021 DRAFT IDP

		<p><u>Plantation-Tsolobeni</u></p> <p>Electricity needed urgently because of high crime rate</p> <p><u>Mathafeni No.1</u></p> <p>Completion of toilets</p> <p><u>All villages</u></p> <p>Issuing of trading license, emerging contractors have registered in government databases but are not considered.</p>	
11	<p><u>Gobho / Tinana</u></p> <p>CDW for the ward, no water, taps are not working, ±16km access road and a bridge</p> <p><u>Ntatyana / Lugcadweni</u></p> <p>Access road and road maintenance, colberts and bridges, maintenance of bridge</p> <p><u>Fairview / Lubisini</u></p> <p>Water, Community hall, RDP houses, VIP toilets</p> <p><u>Mpisi</u></p> <p>VIP toilets</p> <p><u>Dengwane</u></p> <p>Toilets, maintenance of access road, grading of sportsfield, reconstruction of bridge</p>	<p><u>All wards</u></p> <p>Urgent attention on the issue of age restriction for employment in EPWP.</p> <p><u>Thambekeni</u></p> <p>Toilets for new households; electricity infills, access road</p> <p><u>Dengwane</u></p> <p>Water taps, mobile clinic, toilets, building of dam, electricity infills</p> <p><u>Fairview</u></p> <p>Water taps, access road, electricity infills.</p> <p><u>Lugcadweni</u></p>	

ELM 2020 – 2021 DRAFT IDP

		<p>Borehole</p> <p><u>Lubisini</u></p> <p>Playgrounds</p> <p><u>Fletcherville</u></p> <p>Toilets are broken, they need to be reconstructed</p> <p><u>Gobho</u></p> <p>Mobile clinic,</p>	
12	<p><u>Ntabayikhonjwa</u></p> <p>Access road, repairs of damaged bridge, VIP toilets, clean drinking water / water taps, community hall</p> <p><u>Lehlakaneng</u></p> <p>Access road</p> <p><u>Ngoliloe</u></p> <p>Access road to Gengxe, Mobile clinic, community hall, scholar transport for learners from Ngoliloe to Sidinane SSS, Early Childhood Development Centre, fencing of mielie fields, RDP houses</p> <p><u>Mangoloaneng</u></p> <p>Access road to Madumasini, Free Basic Electricity, extension of clinic, VIP toilets suitable for disabled people, pedestrian bridges for learners</p>	<p><u>Setaka and Moleko</u></p> <ul style="list-style-type: none"> • Paypoint for old age • Request access road vehicle cannot access the villages • Soil erosion • Request mobile clinics • Request employment • Request community hall renovations • Request bridge when the is heavy rains the cannot pass • Request sport field and assistance in sport to alleviate high rate of crime <p><u>Polokoe</u></p> <ul style="list-style-type: none"> • New toilets 	<ul style="list-style-type: none"> •

ELM 2020 – 2021 DRAFT IDP

	<p><u>Mahanyaneng</u> Repairs of damaged bridge, access road, RDP houses, rehabilitation of dongas</p> <p><u>Popopo</u> Water, RDP houses, VIP toilets, Community Hall, Trimming of forest, access road to Thabakgubedu</p> <p><u>Polokoe / Zwelitsha</u> Access road from Zwelitsha, Polokoe to Tabatlala, new generator to pump water, rehabilitation of dongas</p> <p><u>Tabatlala</u> Bridge, Community Hall, water taps</p> <p><u>Setaka</u> VIP toilets, community / pension hall, access road, cutting of trees, dipping tanks, sportsfield</p> <p><u>Moleko</u> Water pump must be changed from generator to electricity</p> <p><u>Madumasini</u> Access road to Mangoloaneng, Water, RDP houses, soil rehabilitation, access roads in the streets of Madumasini</p> <p><u>Kinira Poort</u></p>	<ul style="list-style-type: none"> • Speed humps at Zwelitsha • Access road from Polokoe to R56 road • Water engines have problem request electricity pumps • Mobile clinics • Project for rehabilitation of dongas/ soil erosion the community members once benefited from that project • RDP houses are not the same with new ones • RDP house was burnt request new house. <p><u>Mahanyeng</u></p> <ul style="list-style-type: none"> • Bridge <p><u>Lehlakaneng</u></p> <ul style="list-style-type: none"> • Request access road • Request bridge • Request paypoint for old age • Request water • Request pre-school <p><u>Moleeko</u></p> <ul style="list-style-type: none"> • Spring Water protection • Access road vehicles cannot access the village • Bridge <p><u>Mangoloaneng</u></p>	
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ELM 2020 – 2021 DRAFT IDP

	<p>Solid bridge, new VIP toilets, RDP houses, clinic, rehabilitation of dongas, electricity for infills, pre-school, building or renovation of Morulane PS, sportsfield for youth</p>	<ul style="list-style-type: none"> • RDP houses • Water taps • ELM to monitor project • Pre-school • Request access road at Madumasini • Clinic must be improved, the one available is too small and has no confidentiality • Community hall, SASSA hall which has been used needs renovations <p><u>Popopo</u></p> <ul style="list-style-type: none"> • Water, toilets, soil rehabilitation, access road <p><u>Ntabayikhonjwa</u></p> <ul style="list-style-type: none"> • Water, RDP houses, Bridge, soil rehabilitation, community hall, pre-school, electricity Infills/ extensions, fencing of graveyard 	
13	<p><u>Koebung</u></p> <p>RDP houses, Police station, Completion of toilets, MTN network transmitter, Clinic to also service Sethathi, Mashata and Mohoabatsane, Access Road to Somerset, repair of water pipes, Electricity, Community Hall</p>	<p><u>Setati</u></p> <p>Fixing of water taps that are not working, tar road from Xaxazana to Thaba Checha, access road from Setati to Freyistata, cutting of wattle trees.</p> <p><u>Ntoko</u></p>	

ELM 2020 – 2021 DRAFT IDP

	<p><u>Seqhobong</u> Ambulances in clinic, Network coverage</p> <p><u>Mohoabatsane</u> Windmills and dams, Access road to Khorong, Access road from T74 to Toropong, RDP houses, completion of toilets, 250 chairs for the community hall, Shearing Shed, Electricity in Pre-school.</p> <p><u>Ntoko</u> Access Road, kitchen at the school</p> <p><u>Nxotshana</u> 12 VIP toilets, Network, Rehabilitation of dongas.</p>	<p>Electricity Infills, boreholes, access road from Ntoko, monitoring of funded projects, clinic at Mohoabatsane, consideration of</p> <p><u>Mohoabatsane</u> Involvement of community members during hand-over of projects that are constructed in rural areas for the community members to lodge complaints where necessary, fixing of old boreholes, RDP houses, toilets for new households, electricity Infills, electricity for Utiwanang Pre-school, Vodacom network pole, fixing and extension of water taps</p> <p><u>Seqhobong</u> Access road from the shop to Matabaneng</p> <p><u>Makoatlana and Dephofung</u> Community hall, RDP houses.</p>	
14	<p><u>Sathube</u> Access Road to 2 Roses for sand mining.</p> <p><u>Vuvu</u> Bridge, Rooi-cat challenge killing livestock</p> <p><u>Bethania</u> Paraffin supply</p> <p><u>Refele</u></p>	<p><u>Phuting Village</u></p> <ul style="list-style-type: none"> • They requesting water tanks; • They requesting access road; <p><u>Vuvu Village</u></p> <ul style="list-style-type: none"> • They requesting water; • They requesting scholar transport; • They requesting bridge; 	•

ELM 2020 – 2021 DRAFT IDP

	Electricity, Sportsfield, Assistance with registration of projects <u>Ditaung</u> Electricity, Fencing of graveyard	<ul style="list-style-type: none"> • They requesting use of existing material to provide bridge; • They had a problem of network the whole ward. 	
15	<u>Khorong</u> Access road to Tsekong and Lehana School <u>Nkululekweni</u> Water taps do not have water <u>Kutloanong</u> Legal water connections, in-house water connections <u>Diphofung</u> Access road, <u>All villages of the Ward</u> RDP Houses in the yards, Naming and signage of all roads, building of juvenile prisoner for young perpetrators, graveyard fencing, building of community hall, electricity connections, Sports field, Clinic, Police Station, Cellular network pole, Proper infrastructure for preschools	<u>Tsekong</u> <ul style="list-style-type: none"> • Access Road • Clinic • Water is locked by the Municipality • Network pole • Sport field grounds • Electricity Infills <u>Nkululekweni</u> <ul style="list-style-type: none"> • Toilets are not completely done • Gravel heaps • Water challenge • Back of the Horizon must be written in 3 languages • Truck of gravel heaps for EPWP workers • High mast lights are needed <u>Liphakoeng</u> <ul style="list-style-type: none"> • Renovation of damaged toilets • Electricity 	
16	<u>Sihom</u> Electricity infills, access road <u>Koloni</u>	<u>Frank</u> Clinic, electricity Infills at Sihom <u>Khethekhethe</u>	

ELM 2020 – 2021 DRAFT IDP

	<p>Access Road</p> <p><u>Chevy-chase</u></p> <p>Proper construction of bridge</p> <p><u>Mdeni</u></p> <p>Community Hall, abolition of drug abuse</p> <p><u>Msasangeni</u></p> <p>Culverts for all roads</p> <p><u>Karadokhwe</u></p> <p>SAPS visibility and patrol</p> <p><u>Nkangala</u></p> <p>Water, Access road</p> <p><u>Koloni / Mcutha</u></p> <p>Access road</p> <p><u>Mcambalala</u></p> <p>Culverts, maintenance of roads</p> <p><u>Mlube</u></p> <p>Water, improvement of standard of access road and maintenance</p> <p><u>Ward</u></p> <p>Upgrading of electricity, shortage of staff in Hlankomo clinic, high mast lights, mall</p>	<p>Water, Electricity, Clinic, employment of people of over 35 years, Nkalweni access road, toilets for churches,</p> <p><u>Ndingo</u></p> <p>Access road from Magedla to Mhlontlo, bridge, electricity, RDP houses</p> <p><u>Nkangala</u></p> <p>Access road from KwaZulu to Magedla, electricity, Spring water protection, library, community hall, free basic electricity,</p> <p><u>KwaZulu</u></p> <p>Protected spring water, electricity, lack of monitoring of all projects, clinic, completion of the 56 toilets, ill-treatment of established committees by JOGEDA</p> <p><u>No. 5</u></p> <p>Electricity, toilets, playing grounds</p> <p><u>Msasanga</u></p> <p>Bridge, access road from Robert, clinic, gravel,</p> <p><u>Sihom</u></p> <p>Electricity, attention on disaster challenges, quick response of ambulances when called</p> <p><u>Chevy chase</u></p>	
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ELM 2020 – 2021 DRAFT IDP

		<p>Electricity, clinic</p> <p><u>Nondyandya</u></p> <p>Electricity</p> <p><u>Koloni</u></p> <p>Maintenance of access road from Koloni to Mhlontlo with extensive monitoring.</p>	
17	<p><u>Greenfields</u></p> <p>Water is of high priority, mobile clinic, pins to identify erven, land for ploughing</p> <p><u>Vincent</u></p> <p>Water, sucking of toilets, construction of roads in all streets, sport facilities and equipment, social grants for destitute, youth programs</p> <p><u>Mbidlana</u></p> <p>Electricity for infills, reconstruction of access road near the bridge, clinic, sportsground</p> <p><u>Robben Island</u></p> <p>Early Childhood Development Centre, completion of road construction.</p>	<p><u>Gqaqhala-Ndoda</u></p> <p>Bridge in Ndlozi to Samuel, Access road at Ntshontsho, Borehole at Nodada mountain</p> <p><u>Gqaqhala</u></p> <p>High masts lights, water tap in each household, cutting of wattle trees, DRDAR must assist with seedling and other projects, maintenance of Thaleni access road.</p> <p><u>Ugie</u></p> <p>Maintenance of access roads</p> <p><u>Mbidlana</u></p> <p>Network pole, high mast lights, clinic, playing grounds.</p>	

Ward War Rooms

A total of 15 War rooms were established in ELM. A total of 14 wards were established in 2016 whilst 01 additional ward was established in 2018. Ward 06 and 17 do not have war rooms. Even though War Rooms have been established, their functioning is minimal. A concept of War Rooms was derived from the Integrated Service Delivery Model (ISDM) which was introduced by the National Government under the Office the Deputy President in August 2015. The aim of ISDM was to bring together all service delivery stakeholders to provider services in an integrated manner. ISDM embraces the principles of integration, coordination, collaboration and collocation and works well through partnership in order to rebuild the fabric of society. War Rooms refer to a physical space where community meets to resolve, refer, coordinate service delivery and report community issues. Composition of War Rooms should take into consideration stakeholders that exist in that particular Ward such as Traditional Leader, Civil Society structures, community workers, focus groups, business, government departments, etc.

Community Development Workers (CDWs)

Department of Cooperative Governance and Traditional Affairs employed Community Development Workers (CDWs) who serve as the secretariat of the ward war rooms. Of the 17 Wards, there is only one (1) Ward that still has no CDW. Elundini Local Municipality embraced the Community Development Worker (CDW) program and viewed it as a positive step towards bridging the gap between Government and communities. The municipality therefore committed herself to providing all the necessary support, including the provisioning of resources within the relevant legislative mandate, to ensure that the program runs smoothly and fulfills its objectives. In 2009/2010 Elundini Local Municipality pioneered setting up of CDWs integration systems. These included development of CDW Integrative Model; Memorandum of Agreement and CDWs Operational Plan. CDWs Integrative Model was developed and presented to the provincial department – COGTA. The model proposed the following:

- The CDWs to be integrated into the Communications and Public Participation unit and to be convened by Public Participation
- The CDWs to be accorded ex officio status in all the meetings of the ward committee, which they must attend diligently and at which they must table reports in relation to their activities for the month. Such reports must constitute an integral part of the ward report and recommendations to be escalated to the municipality;

- The ward reports and recommendations must be sent to the Office of the Municipal Manager, whereat they will be studied and where applicable, matters emanating there from will be referred to the relevant Councilor, official, political structure or government department;
- The CDWs would maintain a timesheet detailing all their activities for the month, which would be signed off by the Ward Councilor as confirmation that work for the month was carried out and would also be supported by the monthly report. Any disputes would be referred to the Office of the Municipal Manager for adjudication.

2.8. Community Involvement to Social Cohesion Programs

The ELM has a Mayor's Social Investment program which also contributes to the nation building has three pillars as follows:-

- ❖ Bursary – helps students from destitute families by paying for tuition and accommodation.
- ❖ Adopt-a-school – is aimed at assisting schools with immediate requirements while the Department of Education is still planning for the improvement of the school.
- ❖ Bridge of hope – is directed to help needy families.

ELM has also employed one hundred and sixty four (164) unemployed young people as Community Participation Liaison Workers (CPLWs) from each village of the municipality. The CPLWs are an attempt to close the social gap between the councillor and the communities. CPLWs visit household by household in their duties of information dissemination. CPLWs act as administrative support to community meetings and also in the dissemination of information from the Council and government departments.

ELM hosts and organizes Mayoral Cup as an annual sporting event that is aimed at uniting young people in the municipal area. The program is contributing to the development of youth in different sporting codes. The elimination process starts from ward level and this helps in building cohesion amongst communities as winners progress to represent clusters and regions of the municipal area during the roll out of the program.

2.9. Inter-Municipal Planning

ELM has during the financial year 2016/17 entered into the inter-municipal planning with the City of Cape Town for the Inner City Precinct in order to be able to develop better and suitable plans for the towns of Maclear and Ugie which has since been completed. The municipality has also undertaken a study with the towns of Riverside and Knysna in the Western Cape to learn best practices around the functioning and operations of their SHARED fire services. Following the visit an agreement was then concluded by both the district and Elundini local municipality to adopt the model as investigated and recommended in terms of the section 78 study conducted

by the Joe Gqabi district municipality. Council has since passed a resolution in principle approving the shared fire services model pending its finalization by and between the two municipalities. We continue to engage with the district on updates and progress towards finalization and eventual implementation of the model. Parties to the model are the JGDM, Elundini municipality as well as the Department of Environmental Affairs.

3. SECTION B: UPDATED SITUATIONAL ANALYSIS

3.4. Elundini Local Municipality Profile

The Elundini Local Municipality (ELM) is a Category B municipality located within the Joe Gqabi District in the north-eastern portion of the Eastern Cape Province. The municipality is bounded by the Alfred Nzo District in the north, Chris Hani District in the south, OR Tambo District in the east, and Lesotho and Senqu in the west. It is the smallest of three municipalities in the district, making up a quarter of its geographical area. The Elundini Local Municipality is one of the most scenic and attractive areas of the province, with considerable potential lying in its deep, fertile soils and high rainfall. Compared to the other municipalities in the Joe Gqabi District, Elundini has prospects of significant growth and upliftment in the quality of life for its residents due to its relative abundance of natural resources.

The urban areas and commercial farming district are the highest employers, where people have found employment in the agriculture, commercial and service sectors. There are very low levels of employment in the rural settlements. This can be partly attributed to the fact that these areas do not have a strong economic base, and partly to the fact that most inhabitants are involved in subsistence-related activities with little surplus being produced for economic profit. Due to the migrant system in operation in South Africa, the impact of recessionary downturns in the economy elsewhere (such as in the mining industry, Gauteng and Cape Town) have had an impact on the Elundini area. There is still a heavy reliance on income from migrant sources. The towns in Elundini are Maclear, Mount Fletcher, and Ugie. The main economic sectors are social services/government (41%), agriculture (28%), and wholesale and retail trade (14%).

ELM is the scenic and attractive area in the Eastern Cape with its potential lying in fertile soil and heavy rainfalls. The analysis of Elundini Local Municipality must be contextualized globally. The municipality covers an area of 5,064 km² and has 17 Wards and according to the recent Community Survey (CS) of 2016 released by Stats SA, the Elundini Local Municipality is the most populous municipality in the Joe Gqabi district with an estimated population of 144 929 an increase of 6 788 people, amounting to 4, 7%, from the Census 2011 figures of 138 141 people. The largest population of Elundini is made up of females which constitute 60, 9% (88 247) of the total population and males constitute 39, 1% (56 682) of the total population.

The ELM is one of the most scenic and attractive area of the Province, with considerable potential lying in its deep, fertile soils and high rainfall. Compared to the other municipalities in the Joe Gqabi District, Elundini has prospects of significant growth and upliftment in the quality of life for its residents, due to its relative abundance of natural resources.

MAP SHOWING LOCALITY AND SETTLEMENT DISTRIBUTION

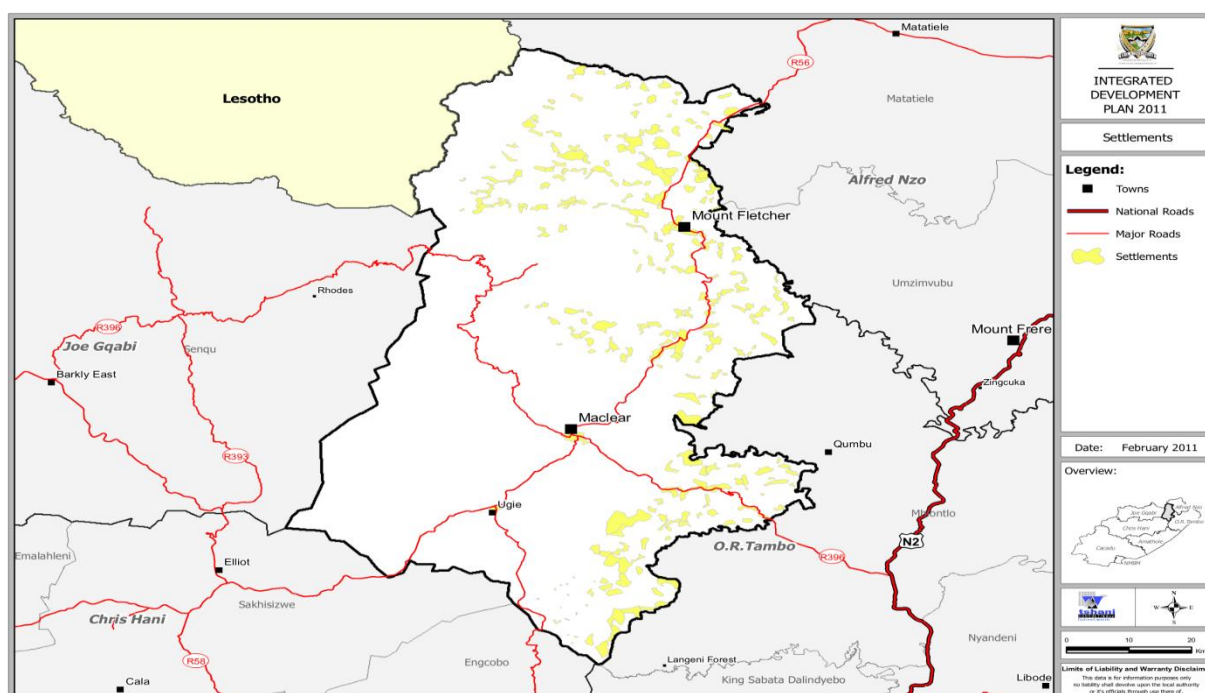


Figure 1: Map showing settlement distribution

3.5. Elundini Local Municipality Demographic Profile

According to the Community Survey 2016 figures, the JGDM total population has increased by 23 144 people from the Census 2011 figures of 349 768 to 372 912 of the CS 2016 figures. This represents a 6, 2% increase between 2011 and 2016 from an increase of 2.3% between 2001 and 2011 figures. From the JGDM total population increase, the ELM has seen a significant increase of 6 790 people representing an increase of 4, 7% between 2011 and 2016 as compared to an increase of 0, 5% between 2001 and 2011.

Although there has been an increase in the number of people, between 2011 and 2016, in both the JGDM and the ELM, there is a noticeable decrease in the number of households both in the district and the municipality. Both the municipalities have experienced a decrease of 0, 2% and 0, 5% of households respectively as depicted by the table overleaf. Of the total number of households in both the JGDM and Elundini municipalities, there has been an increase in the formal structures were the formal structures in JGDM increased from 60, 3% to 69, 6% and on ELM increased from 33% to 47, 8%. The table below depicts the changes in the total numbers of households between JGDM and ELM from 2011 to 2016:

Table 10: Population Changes

Municipality	2001	2011	2016	% growth			Number of households			% Change
				1996 - 2001	2001 - 2011	2011 - 2016	2001	2011	2016	
JGDM	341 750	349 768	372 912	8.2%	2.3%	6.2%	84 835	95 294	95 107	-0.2%
Elundini	137 394	138 141	144 929	3.7%	0.5%	4.7%	33 209	35 992	35 804	-0.5%

Source: Census 2001, Census 2011 and CS 2016

3.6. Distribution of Total Population by age and Gender

The table below depicts the distribution of population by age and gender:

Table 11: Table showing age and gender distribution

Age category	1996			2001			2011			2016		
	Males	Females	Total	Males	Females	Total	Males	Females	Total	Males	Females	Total
00 – 04	8 907	8 900	17 807	7 577	7 364	14 941	8 188	7 949	16 137	8 761	8 489	17 250
05 – 09	11 047	10 798	21 845	10 130	9 926	20 057	8 164	7 829	15 993	9 052	9 304	18 356
10 – 14	11 229	11 168	22 398	11 391	11 337	22 727	8 860	7 866	16 726	9 976	8 702	18 678
15 – 19	8 251	8 901	17 152	9 763	9 274	19 037	9 013	8 166	17 180	10 528	9 617	20 145
20 – 24	4 331	5 431	9 763	4 688	4 975	9 663	6 441	5 746	12 187	7 762	7 035	14 797
25 – 29	2 352	3 676	6 028	2 721	3 791	6 512	4 397	4 302	8 699	6 523	5 965	12 488
30 – 34	1 938	3 739	5 677	2 213	3 364	5 577	3 189	3 453	6 641	4 982	5 300	10 282
35 – 39	1 933	3 458	5 391	2 060	3 543	5 603	2 743	3 512	6 256	2 306	2 557	4 863
40 – 44	1 665	2 839	4 504	2 129	3 606	5 736	2 210	3 387	5 597	1 959	2 549	4 508
45 – 49	1 435	2 468	3 904	1 955	3 022	4 977	2 074	3 508	5 582	1 604	2 214	3 818
50 – 54	1 278	2 141	3 419	1 730	2 594	4 324	2 120	3 587	5 707	1 502	2 492	3 994
55 – 59	1 325	2 035	3 361	1 486	2 167	3 653	2 095	3 189	5 285	1 388	2 532	3 920
60 – 64	1 334	2 873	4 206	1 475	2 560	4 034	1 938	2 804	4 742	1 429	2 273	3 702
65-69	1 227	2 222	3 449	1 559	2 579	4 137	1 382	2 032	3 414	943	2 105	3 048
70 – 74	814	1 231	2 046	1 019	1 905	2 924	1 156	1 911	3 067	603	1 570	2 173
75 – 79	730	1 191	1 921	565	963	1 528	765	1 666	2 431	360	921	1 281
80 – 84	241	505	747	439	930	1 369	453	1 044	1 497	163	713	876
85+	184	333	517	191	403	594	294	706	1 000	108	644	752
Total	60 222	73 911	134 133	63 091	74 303	137 393	65 482	72 657	138 141	69 949	74 982	144 931

Source: Census 1996, Census 2001, Census 2011 and CS 2016

Although there has been an overall increase of 4, 7% in the total population in Elundini, there has been a decrease of 3, 2% of the female population and an increase of 6, 8% of the male population between 2011 and 2016. The female population in Elundini makes 51.7% of the total population and males constitute 48, 3% of the total population. In terms of the demographic distribution of the Elundini population, a younger population,

between the ages of 15 and 19, comprises the largest population followed by 10 and 14, 05 and 09 and 00 and 04 respectively.

The pyramid below provides a clear depiction of age and sex distribution of the ELM population. In terms of the stages of demographic transition model, the ELM pyramid appears to be at the third stage, which shows stationary growth and mortality particularly in the 25 to 75+ years cohorts. It is clear how many people of each age range and sex are found within the municipality. Moreover, the pyramid shows that the population is generally older on average.

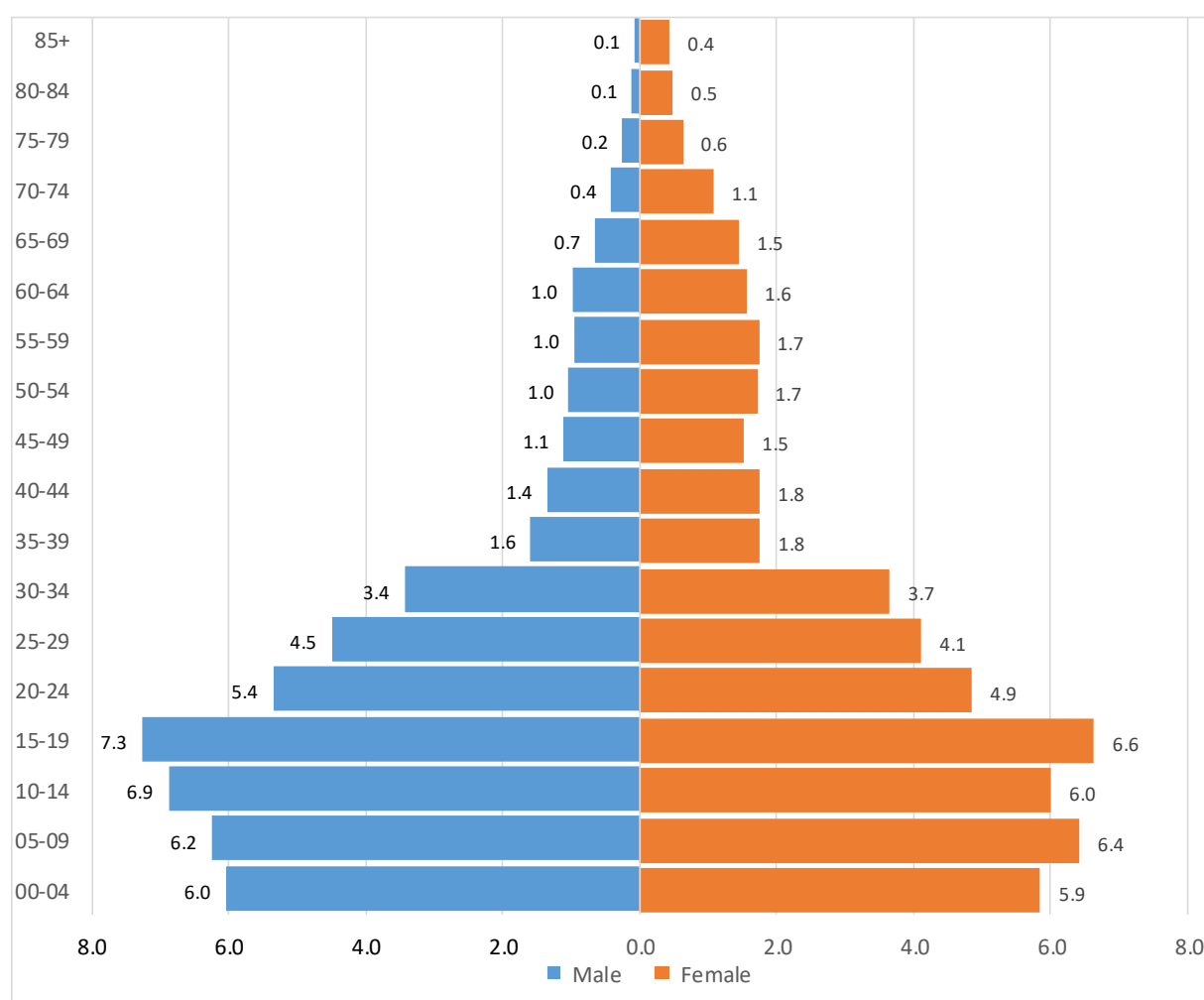


Figure 2: Population Pyramid

Source: CS 2016

3.7. Population by Race

According to Community Survey 2016, a large part of Elundini's population is made up of Black Africans (135 593) this figure translates to 98.01% of the entire population. The remaining 1.09% (2 580) is made up of 1 323 Coloureds (1%); 172 Asians (0.01%) 903 Whites comprising (0.07%) in the other category there are 183

inhabitants contributing (0. 01%) of the entire population. (2011 Statistics SA). The table below is the presentation of the racial distribution in Elundini:

Table 12: Table showing racial distribution

CATEGORY	NUMBER OF POPULATION	% DISTRIBUTION
Black Africans	135 559	98, 01%
Coloured	1 323	1%
Indian	171	0, 01%
White	905	0, 07%
Others	183	0, 01%

3.8. Distribution of Population by Language

As per the Community Survey 2016, the most spoke languages by households in the district including Elundini are isiXhosa, seSotho, Afrikaans and English as depicted by the table below:

Table 13: Table showing language distribution

LANGUAGES	NUMBER OF PEOPLE		
	JGDM	ELUNDINI	%
IsiXhosa	275 521	104 581	
SeSotho	66 419	34 152	
Afrikaans	18 889	1 905	
English	2 514	673	
Others	9 571	3 620	

3.9. Distribution of household by income

Community Survey 2016 has not released any updated information on household income and therefore the Census 2011 were used which showed that 28, 4% of the families earn between R 9 600 – R 38 200 per annum which is R 800 - R 3 183 per month whilst 19, 1% of the households earning R38 200 - R76 400 which is R 3183-6367. 38% of the households fall in the category which earns less than 800 per month or no income at all. The table below depicts the income levels of households within Elundini Municipality:

Table 14: Table showing income levels

Income level	No. of Households	%
No income	6 391	16, 8%
1 – 4800	3 113	8, 2%
4800 - 9600	4 868	12, 8%
9 600 - 38 200	10 770	28, 4%

38 200 - 76 400	7 217	19, 1%
76400 - 153 800	2 501	6, 6%
153 800 - 307600	889	2, 3%
307 600 - 641 400	324	0, 8%
641 400 - 1 228 800	53	0, 1%
1 228 800 - 2 457 600	45	0, 1%
2 457 600 or more	23	0, 06%

3.10. Literacy Levels

Community Survey 2016 indicates that there has been an increase of 4.7% in the levels of education in Elundini for those between 20 years and above from 2011 to 2016 from 11.9% to 16.6% of the entire population having completed Grade 12 but there has been a slight decrease of 0.4% between 2011 and 2016 from 4.9% in 2011 to 4.5% in 2016 of the population who has studied further than Grade 12. Community Survey 2016 also revealed that 10.7% has no schooling at all, 20.7% has some primary education, 7.4% has completed some primary education and 44% has completed some secondary education. The table below depicts the percentage levels of education between the period 2011 to 2016 as provided by Census 2011 and Community Survey 2016:

Table 16: Table showing attendance of school

	No schooling		Some primary		Completed primary		Some secondary		Matric		Higher	
	2011	2016	2011	2016	2011	2016	2011	2016	2011	2016	2011	2016
JGDM	14,7%	8%	24,4%	18%	7,2%	6,8%	33,2%	41,4%	14,3%	19,3%	5,85	5,3%
ELM	14,6%	10,7%	26,3%	20,7%	7,6%	7,4%	32,8%	44%	11,9%	16,5%	4,9%	4,5%

The table overleaf depicts the highest level of education as per the Community Survey 2016 of Elundini population as against that of the district:

Table 16: Levels of Education against the District

	Joe Gqabi	Elundini	% Schooling
No schooling	55 899	19 142	13.21%
Grade 0	18 914	7 496	5.17%
Grade 1/Sub A/Class 1	13 943	5 740	3.96%
Grade 2/Sub B/Class 2	11 282	4 243	2.93%
Grade 3/Standard 1/ABET 1	19 375	7 736	5.34%
Grade 4/Standard 2	20 907	9 202	6.35%
Grade 5/Standard 3/ABET 2	19 749	8 309	5.73%
Grade 6/Standard 4	21 373	9 276	6.40%
Grade 7/Standard 5/ABET 3	19 823	8 119	5.60%
Grade 8/Standard 6/Form 1	27 160	11 819	8.16%
Grade 9/Standard 7/Form 2/ABET 4/Occupational certificate NQF Level 1	29 018	12 629	8.71%
Grade 10/Standard 8/Form 3/Occupational certificate NQF Level 2	31 218	12 557	8.66%
Grade 11/Standard 9/Form 4/NCV Level 3/ Occupational certificate NQF Level 3	30 892	11 305	7.80%
Grade 12/Standard 10/Form 5/Matric/NCV Level 4/ Occupational certificate NQF Level 3	38 641	12 331	8.51%
NTC I/N1	384	41	0.03%
NTCII/N2	231	72	0.05%
NTCIII/N3	308	78	0.05%
N4/NTC 4/Occupational certificate NQF Level 5	710	173	0.12%
N5/NTC 5/Occupational certificate NQF Level 5	362	165	0.11%
N6/NTC 6/Occupational certificate NQF Level 5	539	113	0.08%
Certificate with less than Grade 12/Std 10	83	22	0.02%
Diploma with less than Grade 12/Std 10	304	172	0.12%
Higher/National/Advanced Certificate with Grade 12/Occupational certificate NQF	1 647	470	0.32%
Diploma with Grade 12/Std 10/Occupational certificate NQF Level 6	2 630	801	0.55%
Higher Diploma/Occupational certificate NQF Level 7	1 176	308	0.21%
Post-Higher Diploma (Masters)	971	398	0.27%
Bachelor's degree/Occupational certificate NQF Level 7	1 632	552	0.38%
Honours degree/Post-graduate diploma/Occupational certificate NQF Level 8	929	376	0.26%
Masters/Professional Masters at NQF Level 9 degree	266	133	0.09%
PHD (Doctoral degree/Professional doctoral degree at NQF Level 10)	144	22	0.02%
Other	715	435	0.30%
Do not know	1 087	513	0.35%
Unspecified	599	181	0.12%
TOTAL	372 911	144 929	38, 86%

3.11. Grant Dependency

As of April 2019 data from SASSA indicated that the total value of state support in the form of grants, e.g. care dependency (disability), child support (0 – 18 years), foster care, grant in aid, old age (below 75 years), old age (75 years & over), permanent and temporary disability and war veterans to the Elundini population amounted to the value of R 49 439 369 per month in the three (3) towns of the municipality. The table below depicts the distribution of grants in Elundini:

Table 9: Grant Dependency

MACLEAR/UGIE	Grant Type	No. of Beneficiaries	No. of Children	Expenditure
	Care Dependency	145	150	R 226 500. 00
	Child Support (Total 0-18)	9 978	18 450	R 6 642 000. 00
	Foster Care	1 105	1 580	R 1 406 200. 00
	Grant in Aid	316		R 113 760. 00
	Old Age	4 610		R 6 919 365. 00
	Old Age (75 Years & Over)	1 729		R 2 639 592. 00
	Permanent Disability	1 579		R 2 384 290. 00
	Temporary Disability	79		R 119 290. 00
MACLEAR/UGIE TOTAL		19 541	20 180	R 20 450 997. 00
MOUNT FLETCHER	Care Dependency	248	250	R 377 500. 00
	Child Support (Total 0-18)	14 480	27 155	R 9 775 800. 00
	Foster Care	863	1 163	R 1 035 070. 00
	Grant in Aid	1 788		R 643 680. 00
	Old Age	5 958		R 8 941 012. 00
	Old Age (75 Years & Over)	3 374		R 5 151 421. 00
	Permanent Disability	1 920		R 2 896 279. 00
	Temporary Disability	111		R 167 610. 00
Mt FLETCHER TOTAL		28 742	28 568	R 28 988 372. 00
GRAND TOTAL		48 283	48 748	R 49 439 369. 00

3.12. People Living With Disability

ELM established partnerships with two Non-Governmental Organizations (NGOs) – Cheshire Home and Siyamthanda Home. These partnerships are renewed annually based on satisfactory performance of these NGOs and financial support is provided to support the running of the centers and care-givers. A service level agreement is signed with each NGO annually with terms of reference and outputs. Below is the presentation of the categories of disabilities by people in the Elundini municipal area:

Table 10: Categories of disability

Category	% population
Seeing	16%
Hearing	10%
Communication	3,1%
Physical Disabilities	29%

Source: Census 1996, Census 2001, Census 2011 and CS 2016

The table below depicts the list of SPU programs that the municipality is implementing:

Table 11: Special Programs Projects

PROGRAM/PROJECT	PLANNED BUDGET (2019/2020)
Implementation of HIV/AIDS Strategy	1 003 686
Promotion of sport development	517 336
Women empowerment	686 069
Empowerment of PWD	601 766
Youth Development	504 840
Mayor's Social Investment	860 536

3.13. Unemployment

Stats SA has not released any new or updated employment statistics and therefore figures used in the analysis of employment for ELM are those that were released in 2011. Assessing employment remains a very complex task to undertake, due to the fact that there are a number of varying methodologies of measuring unemployment. The variations in methods often result in unemployment rates being very different for the same area depending on who has conducted the measurement and which methods were employed in order to do so. The table below depicts that 9% of Elundini's population is unemployed. Whilst this percentage may seem quite low it is also important to remember that 4% are classified as discouraged work seekers and are therefore technically also not gainfully employed. There is also 47 040 (34%) of the population which is not economically active. Many of those included in the (Not economically Active) population are of working age and therefore could be working. Regardless of the categories that have been used to describe those that are not employed, what is clearly evident is the fact that only 11% of those assessed in Elundini are considered gainfully employed, which is a low employment rate.

Table 12: Employment Status

INDICATOR	NUMBER OF PEOPLE	PERCENTAGE
Employed	14207	11%
Unemployed	11 323	9%
Discouraged work seekers	5305	4%
Not economically active	47040	34%
Not applicable	60 265	44%

Source: Census 2011 and CS 2016

3.14. Local Economic Development

The LED Strategy which was adopted in 2012 and implementable until the end of 2017 and is now under review. The purpose of local economic development (LED) is to build up the economic capacity of a local area in order to improve its economic future and the quality of life for all. It is a process by which public, business, and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation. The success of a community today depends upon its ability to adapt to the dynamic local, national, and international market economy.

The key policies that primarily guide the ELM's economic development are:

- ✓ National Framework for Local Economic Development;
- ✓ National Framework for Sustainable development in South Africa;
- ✓ Industrial Policy Action Plan;
- ✓ Integrated Sustainable Rural Development Strategy;
- ✓ National business Act;
- ✓ Spatial Planning and Land Use Management Act of 2013;
- ✓ Towards an Integrated Urban Development Framework;
- ✓ National Cooperative Development Act of 2011;
- ✓ National Housing Policy and Subsidy Programs;
- ✓ Elundini Local Economic Development Strategy;
- ✓ Elundini Spatial Planning Framework

The National Framework for LED in South Africa has been developed as a guide that seeks to advance an understanding of LED and has put forward a strategic implementation approach that municipalities, provinces,

national government, State-owned enterprises and communities may concentrate on in order to improve local economic development.

As per the Elundini Local Economic Development Strategy, the objectives of the municipality are:

- ✓ To create an enabling environment which is conducive to attract investment in the region;
- ✓ To create new employment opportunities, thereby reducing high unemployment levels and poverty therefore improving livelihoods;
- ✓ To develop the human resource potential in the region and promote skills development;
- ✓ To strengthen linkages between urban and rural areas in the municipality;
- ✓ To provide a framework in which a culture of entrepreneurship can be created to reduce dependency on government;
- ✓ To ensure that existing LED projects are strengthened and/or consolidated;
- ✓ To identify new economic potential and how this can be unlocked;
- ✓ To diversify the economic base and strengthen existing industry;
- ✓ To maximize the use of local contractors, business and expertise in the implementation of programs and projects;
- ✓ To identify how resources can be harnessed to promote economic growth and development
- ✓ To encourage linkages between neighbouring municipalities.

The ELM's Local Economic Development program focusses on the following areas:

3.14.1. Formal and Informal Trade Development

ELM recognizes the key role that informal trading plays in poverty alleviation, income generation and entrepreneurial development and, in particular, the positive impact that informal trading has on historically disadvantaged individuals and communities. The Municipality will continue playing its central role in supporting the employment and economic initiatives of micro-enterprises, and prioritized the informal economy in its local economic development strategies.

In the next five years the municipality will be developing guidelines to adopt a more developmental approach towards the informal economy and review the by law which related to street trading/ informal trading. The Formal & Informal Business Regulations Compliance which focuses on ensuring that businesses have the

necessary permits and licenses to conduct their operations within the legal framework will remain as a focus in trade management.

The municipality is also contributing in the sector by ensuring that the three towns have the main street trading zones in place and also provides infrastructure to the traders.

3.14.2. SMME and Cooperative Development

The National Business Act defines the small business as a separate and distinct business entity including cooperatives and the non-governmental organization's managed by one or more owners. As per the act they are categorized into four such as the micro enterprises, very small enterprises, small enterprise and medium enterprises. Presently the SMME sector is not sustainable, it operates on a survival basis rather than growing the enterprises to create sustainable employment opportunities. ELM has begun a process of creating a necessary infrastructure to support SMMEs to operate on a platform that will grow their businesses to enter the formal sector of business. Furthermore the ELM will work on providing programs to equip SMMEs with critical skills to become more competitive and sustainable.

This will concentrate on:

- ✓ Programs for separate segments as per the act;
- ✓ Policy development and review;
- ✓ Nonfinancial entrepreneurial support initiatives with a particular focus on entrepreneurial training;
- ✓ Research on specific sectors and the role of SMMEs in building partnerships
- ✓ Business network development and support;
- ✓ Capacity building initiatives;
- ✓ Public private partnerships for sector development

The municipality has committed itself to sustainable and meaningful socio-economic transformation of the construction sector, it has put in place a construction procurement strategy to implement in the next five years which is aiming at growing the local construction grades. A local association has also been established which serves as a voice of the sector to the municipality. The local contractor development programs developed by the municipality is being implemented and it has been also embraced by other government institutions who are working with the municipality to support the local contractors. The municipality will do the sector analysis report to reflect on the impact that is made by government as a whole in the growth of the sector

ELM has a dedicated Cooperative Development Centre (CDC) that plays a role in promoting cooperatives through various support initiatives so that a wider spectrum of the community is able to participate in economic opportunities made available to cooperatives. The CDC also plays a role in identifying the needs for skilling local

cooperatives and individuals. Secondary cooperatives are being setup to support primary cooperatives operating within the same sector.

The intension is to develop the CDC into a self-sustainable institution which is able to support its local enterprises. The Municipality is concentrating on its governance as one of the elements of its sustainability and will ensure that it has a functional board in place, Centre Manager and Chairperson of the audit committee. The intension is to ensure accountability to the envisaged government funding that will be implemented through the CDC from different government institutions

3.14.3. Property Development

Property development aims to increase value of the Elundini Municipality land portfolio and generate long term recurring income for Elundini, by facilitating development of Council owned land by third party private sector developers, through private partnerships. Discussion are underway between ELM and the Department of Public Works to develop land owned by the state within Elundini. Development facilitation includes project packaging, project preparation, development contracting & actual development.

The municipality will:

- ✓ Brand strategic municipal and state owned land;
- ✓ Acquire title deeds for all municipal owned land that has been identified for strategic development to expedite property development transactions;
- ✓ Revenue maximisation;
- ✓ Leveraging of private sector investment

The municipality has enhanced this function with the appointment of a skilled Project Officer in property development. The intention of the municipality going forward is also to empower municipal personnel within the LED section to effectively manage and develop municipal-owned properties.

The municipality is facilitating, through its supply chain process, commercial developments in Mouth Fletcher and Maclear. It is also focusing on housing development programs through the department of housing, JoGeda whilst some are directly facilitated by the municipality

3.14.4. Industrial Development

Rural industrialization means focus on promoting the rural based industries by involving local people, resources and expertise or exploring the new business opportunity related with available resources in that particular rural area or cluster in a professional way. Primary beneficiary must be local farmer, artisan and labour in small or medium enterprise establishment in the rural areas and also support the local eco-system and economy. The

basic purpose of rural industrialization is to create alternate model for overall development of rural society to avoid over dependency on farming by utilizing available opportunities to establish small and medium industries. ELM will concentrate on a three-way approach which will help in exploring the rural industrialization, and they are:

- i. Agriculture diversification by exploring the opportunities by farming a completely new range of grains, fruits or vegetables;
- ii. Establish agro-food processing initiatives; and
- iii. Non-farm product business establishment by promoting suitable rural enterprises

3.15. Types of Rural Industry available in Elundini (Competitive and the Comparative Advantages)

There are various types of rural industrial possibilities present in Elundini rural areas such as:

3.15.1. Agro Based Industries

This industry is related with the processing of agro products such as wool, fruit, oil from oil seeds and other related processing from raw agro products.

3.15.2. Forest Based Industries

There are possibilities to establish industries related to wood products, bamboo products, honey, preparing manure from plant leaves, herbal medicines production and others.

3.15.3. Mineral Based Industries

Minerals identified in the rural areas should be primarily processed in the nearby villages and therefor creating industries within the rural areas.

3.15.4. Arts and Craft Industry

Industries like handloom, handicraft and other local artisan product manufacturing have immense potential to become professionally managed as a small and medium industry. There is a considerable high demand in the market for traditional handloom and handicraft products and a tie-up in between local artisan and private SMEs can create a scope for small or medium scale industry in the rural areas for better growth. ELM has developed a Craft and Art Centre in Mt Fletcher which started its operation in 2016 as a centre of support to the Art and Craft industry.

3.15.5. Renewable Energy Industry

Rural areas can be converted into industry hub for producing renewable energy by setting up of commercial alternative energy plant. The municipality will develop a renewable energy strategy which will guide the municipality of the enterprises that it should pursue in the sector.

3.15.6. Agriculture Development

ELM intends to use the partnership it has with Chris Hani CDC and Joe Gqabi Development Agency to attract a direct foreign investment with Argentinians and other countries. The investment aims at both extensive and intensive farming as well as livestock development. ELM and the local farmers will enter into partnership agreements that will allow large scale production which will include local processing as well. An estimated total hectares to be planted in the next five years is 30 000 for the district of Joe Gqabi and 15 000 for Elundini municipality.

The Ugie Industrial park will serve as a processing site for the commercial production. The intention of the municipality, though, is to have Industrial development site in each of the three towns. Whilst the municipality supports the strategic initiatives which aims in promotion of commercial agriculture, with the aim to increase its local production and creating better jobs in the sector (RAFI), it has also partnered with the National Department of Rural Development on the programs that will sustain the food security which will also be integrated into the bigger production (1HA/1 Household).

The municipality will through its political leadership champion rural development programs that seek to alleviate poverty by targeting rural household leaving below the poverty levels. The program will concentrate on development of Farmer Support Centres that serve economic and social needs of the community as well as extensive and intensive agricultural activities. The table below depicts number of stock ownership and the type of agricultural activity undertaken in Elundini according to Community Survey 2016:

Table 13: Stock ownership

Agriculture	2016	
	Number	Percent
Agricultural households	15 209	42.5%
CATTLE		
1 – 10	5 547	75.5%
11 – 100	1 708	23.3%
100+	89	1.2%
TOTAL	7 344	100%
SHEEP		

ELM 2020 – 2021 DRAFT IDP

1 – 10	1 778	30.2%
11 – 100	3 841	65.2%
100+	271	4.6%
TOTAL	5 890	100%
GOAT		
1 – 10	2 776	55%
11 – 100	2 226	44.1%
100+	46	0.9%
Total	5 048	100%
TYPE OF AGRICULTURAL ACTIVITY		
Livestock production	11 518	84.5%
Poultry production	10 549	81.1%
Vegetable production	4 730	52.3%
Other	5 145	15.3%

3.15.7. Tourism Development

Tourism as an economic sector has a potential to grow the local economy and create sustainable jobs and entrepreneurial opportunities. The municipal LED section has created internship posts to provide students who studied Tourism to get the necessary experience required for their studies and this in turn gives the municipality the necessary resources to keep the Tourism Information Centre on weekends opened. ELM in partnership with provincial and national tourism departments will provide opportunities to community members to be trained in various tourism related courses that will empower them to be qualified as tour guides. Various other programs offered by IDC through the national department of tourism will be introduced to the owners of the hospitality facilities.

During the process of developing ward based plans, a number of tourist attractions sites were identified and the Tourism Unit with LED Section is engaging with ward councillors to identify even more attractions that will be used in the tourism marketing material. The LED section will resource itself through the budgeting process to enable it to empower start-up entrepreneurs and community-based organisations within the tourism industry. ELM also provides financial and non-financial support to community initiatives that are tourism related and have a potential to empower local communities.

ELM plans to actively participate in the tourism routes like R56 Route, Madiba Corridor, Maluti Route and any other initiatives in partnership with neighbouring municipalities and the district municipality that have been established.

ELM is also looking at exploring other funding opportunities that made available by various government departments and agencies in order to address the following challenges:

- ✓ Limited funding from municipal resources for tourism;

- ✓ Tourism education, training and awareness;
- ✓ Protection of the environment;
- ✓ Tourism infrastructure, particularly in rural areas;
- ✓ Marketing material

The Municipality has renovated its Tourism information Centre and resourced it to be able to respond to the tourists coming into the area from national international. The National Department of Tourism

3.16. Indicators of Economic Performance

3.16.1. Level of Economic Growth

- ✓ The average annual GGP growth for Elundini Municipality over the period 1995 - 2011 is 7.9%;
- ✓ This outpaces the growth of the Joe Gqabi District, which has an average growth rate of 5.1% and far;
- ✓ Outpaces the growth of the Eastern Cape, over the same period, which only shows growth of 2.8%;
- ✓ Elundini economic outlook has improved, but requires that we actively pursue a different trajectory if we are to address the challenges ahead

3.16.2. Sector Contribution to GGP

The table below depicts the contribution of different sector into the GDP in our area:

Table 14: sector distribution to DGP

SECTOR	2004	2007	2011
Agriculture	8%	6%	4%
Manufacturing	6%	10%	12%
Construction	2%	3%	4%
Trade	12	13%	15%
Transport and communication	9%	9%	7%
Finance and business services	19%	27%	30%
Government	40%	33%	30%

3.16.3. Sector Contribution to Employment: (Census 2011)

Table 15: Contribution to employment

SECTOR	2004	2007	2011
Agriculture	42%	33%	26%
Manufacturing	2%	4%	6%
Construction	8%	8%	9%
Trade	19%	18%	17%

Transport and communication	2%	2%	4%
Finance and business services	4%	7%	10%
Government	26%	27%	28%

As per the statistic above agriculture contribution to employment as well as contribution to the GGP has decreased whilst the manufacturing has increased. There is a need to diversify the composition of products by value adding products. The broadening of economic space through larger consumer markets can give Elundini Municipality the opportunity to develop its economy and increase its competitiveness. Elundini should focus or target high growth markets with the objective of creating investment and export opportunities in the manufacturing sector especially in forestry and agriculture value adding initiatives which are the back bone sectors of this economy. Exporting however should be pursued at the expense of producing for the local market must be ignored as the combination of both could stabilize the income.

3.16.4. Gross Value Added (GVA)

The table below demonstrates how the secondary sector which deals with economic activities such as manufacturing continues to be the largest earner in terms of Gross Value Added.

Table 16: GVA

Gross value added at basic prices, Rm (current prices and constant 2005 prices)				
Industries	Prices	2008	2009	2010
Primary sector	R millions, constant 2005 prices	119	120	112
Secondary sector	R millions, constant 2005 prices	1,540	1,760	1,954
Tertiary sector	R millions, constant 2005 prices	119	120	112

3.16.5. Small Town Regeneration Program

The Eastern Cape Office of the Premier allocated R106m over the MTEF beginning 2017/18 ending 2021 for small town revitalisation which covers upgrading of roads, electricity upgrades, sewer reticulation and other bulk services for revitalisation of Mt Fletcher. A contractor has been appointed to oversee these upgrades over the next three years. A project steering committee has been established and is led by the municipal manager and it is responsible for overseeing the success of the project and ensuring that necessary resources to maintain the infrastructure moving forward are provided.

In support of this initiative the ELM entered into an agreement with the National Department of Public Works and agreed upon a property exchange initiative that will best suit the needs of the community. A property developer has been appointed to build shopping mall that will serve the needs of Mt Fletcher and surrounding

areas. Corrective measures have been put to finalise the Mt Fletcher Taxi Rank as part of small town revitalisation. It is however that the municipality has no control over the finalisation of the building of government offices in Mt Fletcher that are also part of the small town revitalisation program. Below is the breakdown of cost for the development of Mt Fletcher:

Table 17: Projects Planned for Mt Fletcher

List of projects		Estimations based on engineer's report			
		Estimated cost	Year 1	Year 2	Year 3
1.	Mt Fletcher Government office block development and electricity supply	R 3 million	R 3m		
2.	Mt Fletcher low cost and middle income housing development and electricity reticulation	R 2,510,000. 00		R 2,510,000. 00	
3.	Mt Fletcher Main Street electrical supply upgrade	R 2,073,000. 00	R 2,073m		
4.	Mt Fletcher substation and electrical network supply	R 8,250,000. 00		R 8,250m	
5.	Mt Fletcher Hillgate surfaced road	R 4 million	R 4m		
6.	Mt Fletcher housing bulk sewer supply	R 18 million	R 4,056m	R 7m	R 7m
7.	Mt Fletcher housing bulk water supply	R 19 million	R 5m	R 7m	R 7m
8.	Mt Fletcher residential access streets unpaved	R 24,5 million	R 11, 167m	R 14,167m	R 166 000
9.	Mt Fletcher sewer treatment plant	R 5,3 million	R 5, 3m		
10.	Mt Fletcher Thembeni surfaced ring road	R 10 million			R 10m
11.	Mt Fletcher town alternative surface route	R 8 million			R 8 m
	TOTAL	R 106 636 000. 00			

3.16.6. Partnership with P.G. Bison

The municipality has partnered with the private sector, i.e. P.G Bison, in improving various issues in Elundini around Local Economic Development and Social Development. The following are among the examples:

3.16.6.1. Business Adopt a Municipality Project

In the area of Business Adopt a Municipality, P.G. Bison has partnered with the municipality around the following areas:

- ✓ Disaster Management
- ✓ Small town revitalization – Maclear & Ugie
- ✓ Furniture factory

- ✓ Skills Transfer

3.16.6.2. Community Afforestation Project

- ✓ A formal strategic partnership agreement has been developed where skills transfer over a ten year period is guaranteed through the partnership arrangement with PG Bison.
- ✓ PG Bison is currently offering management, administration and technical support as it is anticipated that timber in close proximity of the PG Bison board plant will be sold to PG Bison at the time of harvesting.
- ✓ PG Bison has employed a Social Forester, whose responsibility is solely to provide all the support to the community Afforestation Projects.
- ✓ The Social Forester has been allocated a vehicle that she uses to travel to these communities on a daily basis.
- ✓ PG Bison offers a forestry learnerships, through funds made available by the Forestry Seta.

3.16.6.3. Imfundo Schools Learning Program

The Imfundo Schools Learning Program is an educational program aimed at assisting High School teachers in Ugie and Maclear by equipping them with better teaching skills in Mathematics, Science, Accounting and English.

3.16.6.4. Joe Gqabi and PG Bison Community Vegetable Garden

The community vegetable garden started in March 2014, and is under the ownership of 15 people from the community. The project is an initiative by Joe Gqabi District Municipality as well as PG Bison, with the hope to include Elundini Local Municipality as a partner since the project is in the municipality's jurisdiction.

3.17. Basic Service and Infrastructure Development

ELM has a functional PMU located within the Infrastructure Planning and Development Department that is capable in delivering infrastructure programs within Roads, Sporting Facilities, Community Halls and Early Childhood Development Centres. The PMU's Organogram and has since been revised to include the position of the OHS Officer who ensures compliance with construction regulations. The Unit also boast the skills of the two (2) ISD Officers who play a social facilitation role and community mobilization in the implementation of all infrastructure projects and both positions have been filled. Among other responsibilities the ISD Officers play, are:

- ✓ Establishment of Project Steering Committee;
- ✓ Facilitation of employment on projects
- ✓ Ensure that project implementation runs smooth

3.17.1. LGSETA Candidacy Mentorship Programme

The LGSETA, working with SAICE-PDP, has decided to extend the engineering candidacy phase programme in Local Government which allows for mentors to be deployed to support the development of engineering graduates. The SDP has been awarded funding from the Local Government Education and Training Authority (LGSETA) for the current year to support the municipality to oversee the development of Candidates towards professional registration with the Engineering Council of South Africa (ECSA)

Accepted people eligible for registration:

Sisekho Sako : Technologist

Enock Matolo : Technician

Homba Mnambathi : Technician

Sindisa Mehlomakulu : Technician

Toka Matubatuba : Technician

Ziyanda Fadana : Technician

SAICE has allocated Mr Andrew Brodie a registered Professional Engineer to mentor the candidate in the aspects of design, engineering problem solving and eventual registration in the above professional categories. As part of the programme, candidates have taken on the following projects to design and carry to project implementation:

Castle Rocks Access Road and Bridge Ward 8

Seqhobong Access and Causeway Ward 13

Feasibility Study Thutsing Ward 14

Caltex and Powersave Network Upgrade Ward 3

Streetlighting R56 Various Wards

Rehabilitation of roads network in Various Wards

The successful implementation of the programme will go to great lengths towards ensuring the eventual establishment of a design unit within the municipality.

3.18. Implementation of EPWP

ELM participates in the Expanded Public Works Program (EPWP) contributing mainly on the Social Sector, Infrastructure Sector and Environmental Sector. ELM has employed an EPWP Champion Coordinator, located within the Community Services Department to ensure that EPWP programs are run and managed effectively. ELM received two (2) Kamoso awards for two consecutive years and recognition of their contribution on EPWP.

In 2016 ELM received an award in the Social Sector Category in the Kamoso Award for the employment of CPLWs and in 2017 received an award in Infrastructure Sector Category for Roads and Maintenance.

3.19. Water and Sanitation

Water and Sanitation services are not competency of the local municipality. According to the Community Survey 2016, the table below depicts the main source of water for drinking in Elundini:

Table 18: Main sources of drinking water

	Joe Gqabi	Elundini	ELM's % access
Piped (tap) water inside the dwelling/house	66 355	13 295	9, 16%
Piped (tap) water inside yard	98 667	13 895	9, 58%
Piped water on community stand	70 294	45 826	31, 6%
Borehole in the yard	4 369	335	0, 23%
Rain-water tank in yard	15 399	3 986	2, 75%
Neighbours tap	10 330	259	0, 18%
Public/communal tap	27 200	13 913	9, 60%
Water-carrier/tanker	2 647	1 176	0, 81%
Borehole outside the yard	5 821	2 225	1, 54%
Flowing water/stream/river	47 567	33 668	23, 23%
Well	11 569	4 542	3, 1%
Spring	12 137	11 630	8, 03%
Other	556	179	0, 12%
	372 911	144 929	

In terms of access to water, 46.09% of households in the Elundini area do not have access to piped water at all. This percentage is quite high and speaks to major challenges in the delivery of this service to households. Only 7% of households have access to water inside the yard whilst 34% of households use a community stand as the main access to water. With regards to the sources of water, 29.06% of households in Elundini use municipal water as a main source of water whilst 15.60% of households use boreholes. 18.07% or 7071 households still use rivers or stream as a main source of water and another 6.49% of households use dams as the main source. It is clear from the statistics presented above that there are significant challenges in terms of ensuring that access to water for all households in Elundini is realized, some of the challenges include the following:

- ✓ Many areas in Elundini Local Municipality do not have access to piped water;
- ✓ Most urban areas in Elundini have access to water, but shortages are occasionally experienced in Ugie and Maclear;
- ✓ In Mount Fletcher a borehole is being utilized which also results in occasional water shortages;
- ✓ Along with the issue of poor access to potable water is the need to improve water resource management;

- ✓ In the IDP ward analysis of needs identified that 50% of wards indicated that access to water or water supply was a service delivery issue.

The growth of towns such as Ugie is placing increased strain on the existing water infrastructure. Future growth will need to be supported by additional bulk water infrastructure. The insufficient bulk water and purification infrastructure is a significant constraint to future growth as any new residential, office or industrial development in Maclear, Ugie or Mount Fletcher will require additional infrastructure investment. The situation within Mount Fletcher is critical due to the current borehole system being unable to supply for the demand. Since the municipality is busy with the rollout of the Ward based Planning program in all its wards, more accurate figures of people with access to water will be available. The District has embarked on a process of formulating a District Water Forum which is responsible for the monitoring of the implementation of the Water Services Master Plan.

3.20. Roads and Storm Water

The Elundini Road Network is made up of the following roads of which the ELM is responsible for 750.4 km of municipal unpaved roads and 29.8 km of municipal paved roads as depicted by the table below. As can be seen from the table below, the municipality has 32% unpaved roads and only 1% of paved roads. Provincial Roads are proclaimed roads (51% of road network) which consist of MR (Main Roads), DR (District) roads and MM (Minor) roads. No funding has been provided for the maintenance of Minor Roads. The National Roads (8% of road network), R56 and R396 are maintained by SANRAL. Private Roads (8% of road network) are mainly farm roads.

Table 19: Types of Roads

Road Type	Category	Length (km)
Tar	Surfaced	29,74
Gravel	Un-Surfaced	525.04
In Situ/ Earth		39.87
Tracks		185.48
Total		780.13

Table 20: Gravel Road Infrastructure

Condition of Gravel Roads

Maintenance	117.714	Km
Poor	129.673	Km
Very Poor	140.347	Km
Total	387.734	Km
Not Assessed	137.302	Km
TOTAL	525.036	Km

As can be seen from the chart below, the municipality has 32% unpaved roads and only 1% of paved roads. Provincial Roads are proclaimed roads (51% of road network) which consist of MR (Main Roads), DR (District) roads and MM (Minor) roads. No funding has been provided for the maintenance of Minor Roads. The National Roads (8% of road network), R56 and R396 are maintained by SANRAL. Private Roads (8% of road network) are mainly farm roads.

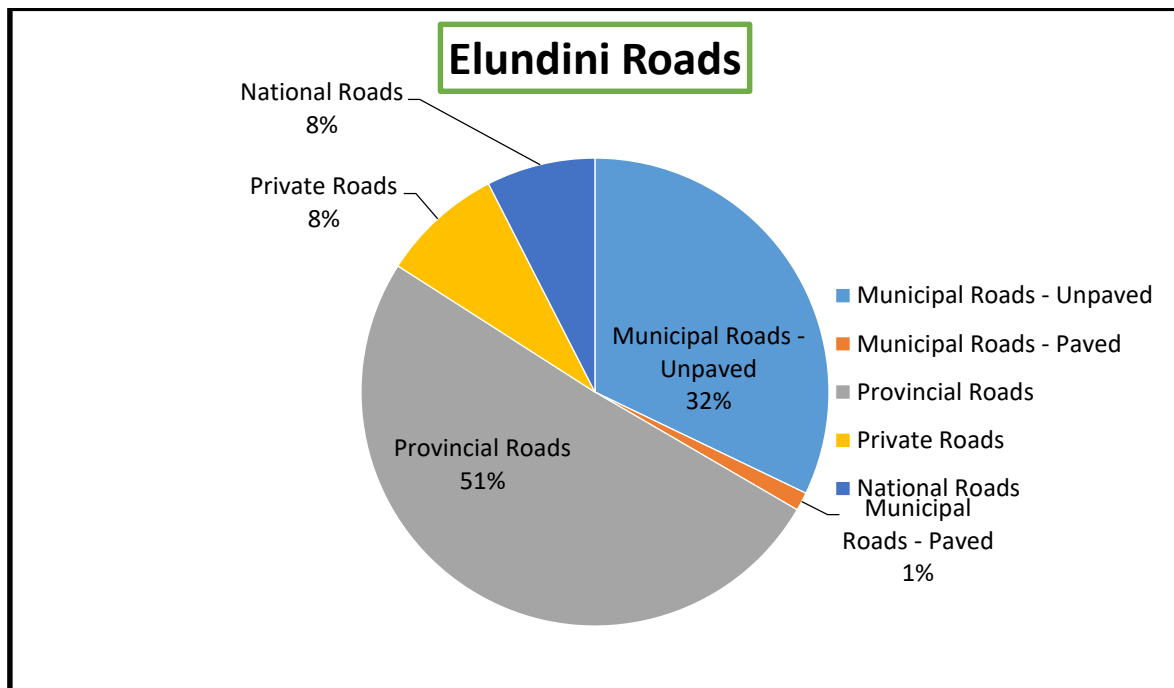


Figure 3: Elundini Roads

The Department of Roads and Public Works is currently implementing a Roads Asset Management System (EASyRAMS). The program is managed through District Municipalities. The implementation of the SLA between the municipality and the DRPW has also seen the functioning of the Roads Forum with its meetings sitting

quarterly chaired by the Political Head for IPD and the secretariate from the DRPW. The Roads Section now uses the EASyRAMS system for the process of establishing a Gravel Road Maintenance Plan.

3.20.1. National Roads

These roads are used by heavy freight vehicles and the timber haulage vehicles which have a significant impact in the deterioration of the road pavement design. In the past there were inadequate funds to accommodate road rehabilitation of National Roads but National Roads are now maintained by SANRAL and there has been significant maintenance to the R56 which traverses from the South to North through Elundini Municipality, connecting Ugie, Maclear and Mount Fletcher. It is assumed that future maintenance will be implemented by SANRAL to the R396 which connects Maclear to Tsolo.

3.20.2. Provincial Roads

Provincial Roads are proclaimed roads (51% of road network) which consist of MR (Main Roads, the MR00723 which connects Maclear to Rhodes), DR (District) roads and MM (Minor) roads. Most of provincial gravel roads have deteriorated significantly, due to recent rains, to the level where they would desperately need gravelling rather than occasional patchwork. This has resulted in most of the top surface of roads being eroded to the road bed. Poor drainage leads to roads being impassable in wet weather. No funding is being provided for the maintenance of Minor Roads of which some are in an extremely poor condition. Many of these roads lead to farms and lodges which limits transportation of produce to the market and the travel of tourists into the area.

The DoT is responsible for the maintenance of Provincial Roads and is doing this through the appointment of a service provider. ELM entered into a service level agreement with the Department of Roads and Public Works for the maintenance of roads in the northern area of Elundini, whereby both municipal and district roads are maintained. Implementation of the SLA has not been smooth-sailing due to financial constraints. This has a detrimental effect on our roads with constant high level of rainfall. All roads in this area have been assessed and are maintained according to a maintenance schedule. In the 2019/20 financial year, an allocation of R68 Million has been allocated for the repair of flood damaged roads. The following assessment of road structures was undertaken by DOT for structures within Elundini:

ELM 2020 – 2021 DRAFT IDP

Elundini LMA (Northern Section)

LIST OF STRUCTURES FOR NEW CONSTRUCTION			
Road Number	Problem	Location	Priority
DR08075	Approaches to the structure have been eroded and the river has widen, the structure requires protection to sustain it	3km	1
DR08647	Stormwater pipes were eroded , when it's raining, cars cannot cross over	15km	1
DR08648	Low level crossing with 900mm stormwater pipes eroded	8km	1
Rehabilitation/Maintenance			
DR08648	Bridge deck sagging	8,5km	2
DR08075	There is rock bed on the very steep road ,concrete slab needs to be casted	15km	2
DR08074	Gabion structures/bridge abutments need to be rehabilitated (they are eroded)	14km	2
DR08074	Bridge deck need to be rehabilitated its sagging	17km	2
DR08074	Missing Bridge parapet handrails	17km	2

ELUNDINI LMA (Southern section)

LIST OF STRUCTURES FOR NEW CONSTRUCTION			
Road Number	Problem	Location	Priority
DR 08208	No pipes only concrete slab. Crossing is floods when raining. Vehicles and pedestrian can't cross. School children use this for access	2,4 km	1
DR 08208	No pipes only concrete slab. Crossing is floods when raining. Vehicles and pedestrian can't cross. School children use this for access	14,0 km	1
DR 02867	No pipes only concrete slab. Crossing is floods when raining. Vehicles and pedestrian can't cross. School children use this for access	10,1 km	1
DR 08206	No pipes only concrete slab. Crossing is floods when raining. Vehicles and pedestrian can't cross. School children use this for access	0,6 km	1

ELM 2020 – 2021 DRAFT IDP

DR 08206	The structure is damaged, and pipes used were too small in the big river, during the rainy season, water is going over the structure, and sand blocked the pipes inlets.	3,9 km	1
DR 08474	No pipes only concrete slab. Crossing is floods when raining. Vehicles and pedestrian can't cross. School children use this for access	4 km	1
DR 08018	No pipes only concrete slab. Crossing is floods when raining. Vehicles and pedestrian can't cross. School children use this for access	1,3 km	1
13	Concrete drain cars can't cross the river when is full		1
DR 08018	Structure is damaged beyond repair, and pipes sizes are inadequate.	15,4 km	1
DR 08018	No pipes only concrete slab. Crossing is floods when raining. Vehicles and pedestrian can't cross. School children use this for access	19,7 km	1
DR 02884	No pipes only concrete slab. Crossing is floods when raining. Vehicles and pedestrian can't cross. School children use this for access	0,9 km	1
DR 02884	Structure is damaged beyond repair, and pipes sizes are inadequate.	5,1 km	1
DR 02884	Structure is damaged beyond repair, and pipes sizes are inadequate.	5,6 km	1
DR 02884	Structure is damaged beyond repair, and pipes sizes are inadequate.	6,1 km	1
DR 08083	No pipes only concrete slab. Crossing is floods when raining. Vehicles and pedestrian can't cross. School children use this for access	0,8 km	1
DR 08083	No pipes only concrete slab. Crossing is floods when raining. Vehicles and pedestrian can't cross. School children use this for access	7,9 km	1
DR 08083	No pipes only concrete slab. Crossing is floods when raining. Vehicles and pedestrian can't cross. School children use this for access	13,9 km	1
DR 02901	Structure is damaged beyond repair, and pipes sizes are inadequate.	5,8 km	1
Rehabilitation/Maintenance			
DR 08209	Approaches to structure have been eroded and will be completely destroyed if not protected	11,2 km	2
DR 08208	Approaches to structure have been eroded and will be completely destroyed if not protected	4,8 km	2
DR 08208	Approaches to structure have been eroded and will be completely destroyed if not protected	8,9 km	2

DR 08018	Approaches to structure have been eroded and will be completely destroyed if not protected	9,0 km	2
DR 08018	Approaches to structure have been eroded and will be completely destroyed if not protected and cover slab damaged.	17,4 km	2
DR 08083	Approaches to structure have been eroded and will be completely destroyed if not protected	11,6 km	2
DR 08083	Approaches to structure have been eroded and will be completely destroyed if not protected	13,1 km	2
DR 08199	Approaches to structure have been eroded and will be completely destroyed if not protected	0,7 km	2
DR 08199	Approaches to structure have been eroded and will be completely destroyed if not protected	11,9 km	2
DR 08198	Approaches to structure have been eroded and will be completely destroyed if not protected	6,7 km	2
DR 02901	Approaches to structure have been eroded and will be completely destroyed if not protected and cover slab damaged.	8,4 km	2
DR 08207	Approaches to structure have been eroded and will be completely destroyed if not protected and cover slab damaged.	6,3 km	2

Priority 1 = Urgent

Priority 2 = Deadline before rain season

3.20.3. Municipal Paved Roads

The table below depicts the number of Elundini's paved roads:

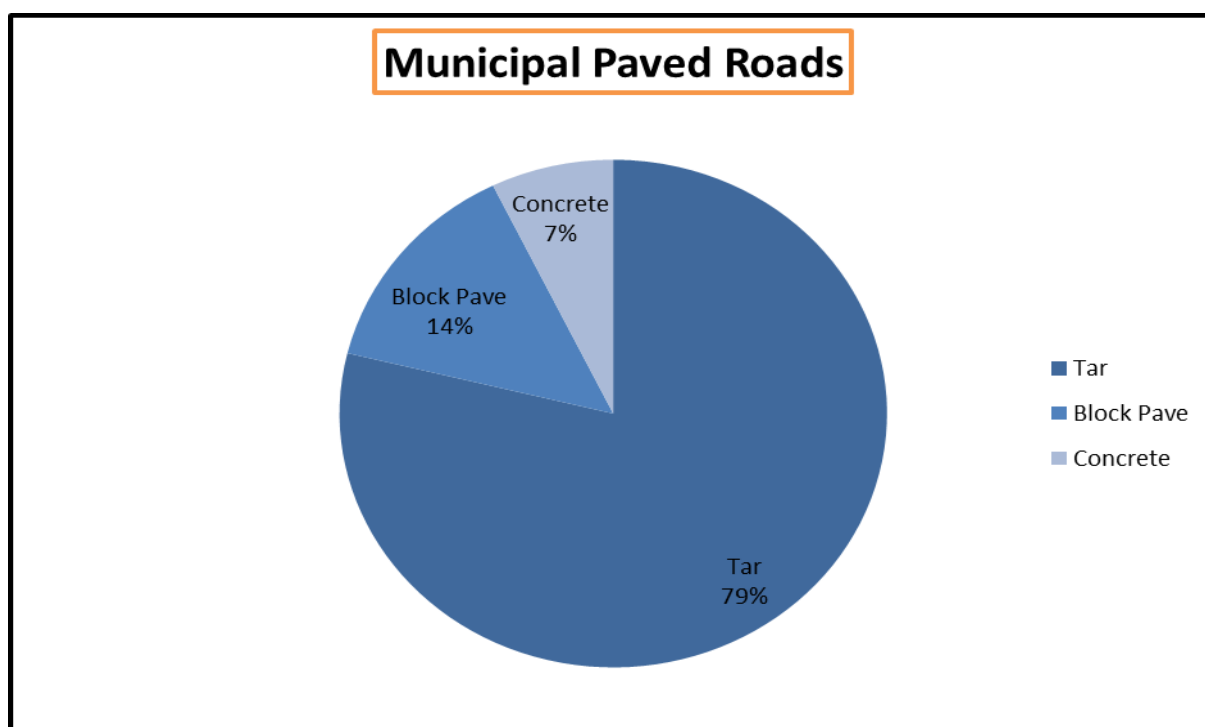
Table 21: Number of paved roads

TYPE OF ROAD	NUMBER OF KILOMETRES
Tar	23,441 km
Block pave	4,145 km
Concrete	2,153 km
TOTAL	29, 739 km

Many of the black top (tar) municipal paved roads are beyond the period of their useful life span resulting in many which need to be reconstructed. The volume of heavy duty traffic has increased considerably damaging

roads that were never designed to carry such heavy loads on a regular basis. The municipality is currently in the process of resurfacing priority roads. In this regard, note should be taken that: -

- ✓ Some identified roads and streets in the town of Mt Fletcher, including the road to Hillgate will be upgraded and surfaced utilizing the grant funding provided by the Office of the Premier, under the small town revitalization program. The Elundini Local Municipality is developing the infrastructure of Mount Fletcher over the next three financial years, i.e. 2017/18 to 2019/20. A budget of R106 million over the three years was requested through the Office of the Premier in the province and this has been allocated. The infrastructure to be developed covers water and sewer reticulation, increase the supply of electricity to the town and the paving of roads;
- ✓ Some of the streets in the town of Ugie have been paved by the Provincial Department of Roads and Public Works. This project was left incomplete and in future the municipality will have to consider alternatives means for the completion of these works;
- ✓ The municipality previously approached the Development Bank of Southern Africa (DBSA) for the purpose of procuring a loan estimated at R27, 4 million excluding VAT for the purpose of upgrading the Maclear town inner roads which have been declared as “top priority”. “Whilst DBSA has approved a loan of R31, 3 million to the municipality for the upgrading of certain priority streets in the town of Maclear, National Treasury has not supported the procurement of the loan citing, inter alia, that such loans should be taken only to finance revenue generating infrastructure. This, as well as a prognosis made by management on a potential deterioration of the municipality’s cash flow situation, has necessitated that the loan being abandoned. The municipality has now planned for the prioritisation of the Maclear streets to be funded under the Municipal Infrastructure Grant (MIG);
- ✓ As part of the 2019/20 plan, the municipality will commence with the refurbishment and maintenance of some key streets in Maclear such as Fourie Street.

Figure 4: Municipal paved roads

3.20.4. Municipal Unpaved Roads

The table below depicts the number of Elundini's paved roads:

Table 22: Municipal unpaved roads

TYPE OF ROAD	NUMBER OF KILOMETRES
Gravel roads	525, 037 km
Earth roads	39, 873 km
Tracks	185, 484 km
TOTAL	750, 394 km

A new assessment for roads was carried out at the end of 2017 by Engineering Advice Services but the backlogs have not yet been updated on Easy RRAMS as such the figures remain the same as previous years.. The reason for this is that these roads were either being constructed or that the roads technician could not gain access to the road. It can also be noted from the above diagram how important a maintenance plan is in order to ensure that our road infrastructure does not deteriorate any further. In the development of a maintenance plan, the above roads are taken into consideration and presented for prioritization.

An urban and rural maintenance plan has been developed to ensure effective maintenance of municipal roads. This plan has been work shopped with councillors and will be implemented in the 2019/20 financial year.

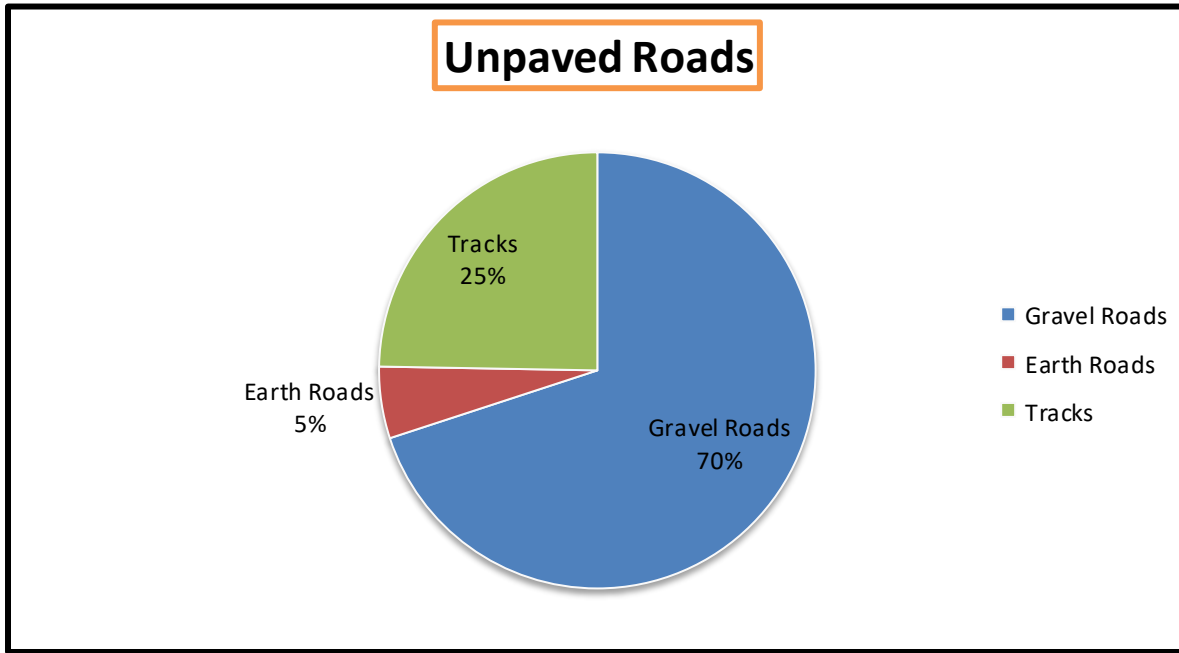


Figure 5: Municipal unpaved roads

From the chart above it can be seen that 5% of unpaved roads are earth roads and 25% of unpaved roads are tracks. No maintenance can be done on these roads and any rain would simply cause tracks to become muddy when bladed with a grader. The above chart does not take into consideration any new roads which require construction. This leaves the Roads Section with a total of 525km of gravel roads to maintain.

3.20.5. Condition of Gravel Roads Assessed

Results from the road assessment in 2017 the municipality received a second set of roads assessment. These assessment are shown as per the figure below:

Table 23: Condition of Elundini roads

Elundini Network Assessment 2015							
National	175.749						
Provincial	1269.691						
Municipal	780.136						
Private	196.655						
	2422.231						
Municipal Network Assessment 2015				Municipal Network Assessment 2017			
Unpaved	750.749			Unpaved	770.78		
Paved	29.74			Paved	30.912		
	780.489				801.692		
Unpaved 2015		Gravel Condition 2015		Unpaved 2017		Gravel Condition 2017	
Gravel	525.038	Good	25.08	Gravel	549.412	Good	0
Track	185.485	Fair	92.633	Track	189.23	Fair	57.758
Earth	39.874	Poor	129.673	Earth	32.139	Poor	138.301
	750.397	Very Poor	140.347		770.781	Very Poor	315.204
		Not Rated	137.302			Not Rated	38.147
			525.035				549.41
Paved 2015		Paved Condition 2015		Paved 2017		Paved Condition 2017	
Tar	23.441	Very Good	0.39	Tar	24.105	Very Good	9.725
Block	4.145	Good	9.833	Block	6.135	Good	7.062
Concrete	2.152	Fair	7.135	Concrete	0.671	Fair	4.418
	29.738	Poor	4.939		30.911	Poor	2.577
		Very Poor	0.394			Very Poor	0.323
		Not Rated	7.398			Not Rated	6.806
			30.089				30.911

Due to conditions outside the control of the municipality (rain) the status of our road network keeps changing. As a result of this, constant assessment of the road network is required to ensure that we do not allow the asset to depreciate to zero value.

The cost to re-construct a road far exceeds the cost to maintain a road and the lack of suitable gravel may result in an inferior road being constructed. Natural resources are not always available.

It must be noted that if the municipality constructs 100km over a five year period then the Maintenance Section becomes responsible for the maintenance. Often the roads constructed are new roads and not the re-construction of existing roads. In the development of a maintenance plan, the above roads will be taken into consideration and presented for prioritization.

3.21. Roads Maintenance

The road network in the south of Elundini requires that approximately 60km of access roads to be re-gravelled. With the available capacity of our plant it is envisaged that we would most likely only be available to be able to re-gravel 28km, rip and shape 32km of access roads and blade 60km of roads – Total is 120km.

This will include work to be done in Ward 1, 2, 4, 5, 6 and 17 (Popcorn Valley has been completed)

The Roads Section is able to identify roads to maintain through the road assessments that have been done but the assessments were done in 2017.

As we are now in 2019 and due to excessive damage done to roads with recent rain, we would like to meet with Councillors from the southern area to discuss their priorities but the Roads Section would still be required to use the criteria in the maintenance policy to define whether the roads requested fall under the maintenance procedure.

To follow this process the section has its disposal maps and assessments which will assist in defining roads which will require maintenance.

Although Bhekela has been identified for maintenance our challenge will be to provide suitable material for the re-gravelling of roads

ELM 2020 – 2021 DRAFT IDP

Table 24: Plan for Maintenance of Access Roads in Northern Section

ID	Road No.	Village	Ward	Length	19/20 Task
	AC63692	Phirinsu –B	14	2,3	Rip & Shape
	AC60477			8,0	
	AC60425	Dengwane	11	2,5	Rip & Shape
	AC60481	Kwebung	13	6,0	
	AC60422	Mashata	12	9,0	
	Mahaneng			9,0	
	AC60428	Ghobho	11	6,2	Dr Blading
	AC60673	Popopo	12	5,0	Rip & Shape
	AC60671			1,6	
	AC63700			0,4	
	Maqhatseng		12	5,0	
	AC63713		10	2,5	Rip & Shape
	AC60445			9,0	
	AC62701			2,6	
	AC62703			2,6	
	AC62702			2,0	
	AC60555			6,6	
	Mpopo/AC60418	Freistata/Sethathi	13	6,0	Rip & Shape
	AC63685	Tabase	13	6,3	
	AC63699	Setaka to Moleko	12	4,1	Rip & Shape
	AC60476, AC63693	Setabataba	14	3,6	Rip & Shape
	Track	Thabo Mbeki	9	1,2	Blading, gravelling
				101,5	

Table 25: Plan for Maintenance of Access Roads in Southern Section

Number	Area	Ward	ID	Length (meters)	Surface type
1140106		1	AC30455	4204,51	Gravel
1140115		1		1211,48	Gravel
1140128		1	AC30452	1698,05	Gravel
1141440		1	AC30454	648,38	Gravel
1141443		1		2675,02	Gravel
1142993		1		569,69	Gravel
1143007		1		829,95	Gravel
1143009		1		964,74	Gravel
1178932		1		6069,39	Gravel
1141922	Bhekela	2		11007,44	Gravel
1140207		5	AC30407	2942,08	Gravel
1140750		5		1126,88	Gravel
1141110		5	AC30154	190,90	Gravel
1141386		5	AC30406	2925,23	Gravel
1141387		5		354,21	Gravel
1141389		5	AC30406	3369,50	Gravel

ELM 2020 – 2021 DRAFT IDP

1141391		5	AC30405	1032,54	Gravel
1141394		5		587,08	Gravel
1141395		5	AC30406	131,89	Gravel
1141396		5	AC30406	386,01	Gravel
1141401		5		2615,76	Gravel
1141402		5	AC30154	1632,65	Gravel
1142947		5		5086,77	Gravel
1142949		5		510,40	Gravel
1142950		5		397,60	Gravel
1142951		5		934,90	Gravel
1142956		5		609,54	Gravel
1200488		5	AC30406	2412,31	Gravel
1200489		5	AC30406	1040,17	Gravel
1140777		6	AC30396	1520,01	Gravel
1141107		6	AC30393	1874,10	Gravel
1141109		6	AC30393	1619,40	Gravel
1141406		6		4720,98	Gravel
1142917		6		792,22	Gravel
1178918		6	AC30393	596,28	Gravel
1178930		6		1217,08	Gravel
1178931		6		1060,30	Gravel
1178979		6	AC30393	836,23	Gravel
	Mpinkone	5		3000,00	
	Ntabelanga	5		4350,00	
	Esidakeni	5		2500,00	
	Thomas Ntaba	5		2300,00	
	Marhombe	5		2000,00	
	Ramatee	7		7000,00	
	Ntushuntsu	5		600,00	Track
1142065	Greenfields	17		3971,60	Gravel

98123,27

98,12 km

Table 26: Maintenance Plan for SLA

Year 2019-2020 - Maintenance Program- REV002						
QUARTER	Months	Cycle No	Road No.	Length	Discription of Works	Planed Work(km)
1	july to September 2019	1	DR08084	22	Dry blading	22
			DR08416	9,9	Dry blading	9,9
			DR08648	12,51	Dry blading	12,51
TOTAL						44,41

ELM 2020 – 2021 DRAFT IDP

QUARTER	Months	CYCLE	Road No.	Length	Discription of Works	Planed Work
2	October to December 2019	2	DR08076	23,75	Reshaping	20
			DR08078	34,7	Reshaping	33
			DR08082	3,5	Reshaping	3,5
			DR08647	24,3	Reshaping	24,3
			Subtotal			80,8
Cummulative Total						125,21
-						
QUARTER	Months	CYCLE	Road No.	Length	Discription of Works	Planed Work
3	January to March -20	3	DR08074	23,3	Patch Gravelling	1,6
			DR08074	22	Reshaping	18
			DR08075	22	Reshaping	14,69
			DR08080	11	Patch gravelling	3
Subtotal						37,29
Cummulative Total						162,5
-						
QUARTER	Months	CYCLE	Road No.	Length	Discription of Works	Planed Work
4	April To June-20	4	DR08076	23,75	Reshaping	20
			DR08078	34,7	Reshaping	15
			DR08082	3,5	Reshaping	10
			DR08647	24,3	Reshaping	12,5
SubTotal						57,5
CummulativeTotal						220

3.22. Documentation which Influences the Construction and Maintenance of Roads

There are a number of documents which set guidelines to both the PMU Section and the Roads Section when constructing or maintaining roads. They are:-

a. Local Integrated Transport Plan (LITP)

Minimum contents for a Local Municipality's Integrated Transport Plan:

- ✓ The ELM Local Integrated Transport Plan (LITP) is prepared for every five years and submitted to the district municipality. The plan should be updated annually where appropriate;

- ✓ The plan has been prepared as an input to the District Integrated Transport Plan (DITP) and synchronised with the timing of the preparation of the DITP. The LITP must consist of the chapters as indicated below:

- i. Introduction
- ii. Transport Status Quo (Inventory and condition of transport infrastructure)
- iii. Transport Needs Assessment
- iv. Transport Improvement Proposals
- v. Implementation budget and program
- vi. The LITP is a working document in which changes are made and updated on an annual basis.
- vii. The LITP is a comprehensive document and it identifies a number of projects that are required to be completed internally.
- viii. The LITP incorporates the Roads Master Plan which is linked to the municipality's LED Strategy.

b. Storm Water Master Plan (SMP)

The master plan has been implemented in the rehabilitation of the Sonwabile Roads Project and will continue in other projects.

The main aims of developing the SMP are, among others are:

- i. Update the existing records of infrastructure assets
- ii. Manage storm water assets
- iii. Identify problems or problematic areas within the storm water systems
- iv. Develop a rational basis from which to implement improvements
- v. Develop storm water guidelines and standards for future work

c. Roads Asset Management Policy

The document provides an example of a road infrastructure asset management policy document that will meet the requirements of the ISO 55000 Asset Management International Standard and Act No. 19 of 2007: The Government Immovable Asset Management Act (GIAMA). The document is intended to serve as an example to Road Authorities to develop their own road infrastructure asset management policies and related systems.

The document strives to address the issues identified in ISO 55001 that need to be addressed in an Asset Management Policy namely:

- i. are appropriate to the purpose of the organization
- ii. provide a framework for setting asset management objectives

- iii. include a commitment to satisfy applicable requirements
- iv. Include a commitment to continual improvement of the asset management system.

The road infrastructure asset management policy shall:

- i. be consistent with the organizational strategic plan(s)
- ii. be consistent with other relevant organizational policies
- iii. be appropriate to the nature and scale of the organization's assets and operations
- iv. be available as documented information
- v. be communicated within the organization
- vi. be available to stakeholders, as appropriate
- vii. be implemented and be periodically reviewed and updated.

The goal of our road infrastructure asset management policy is:

"To ensure that the Elundini Access Roads provide the best possible level of sustainable service to users and optimal economic growth of the ELUNDINI MUNICIPALITY, subject to budget constraints."

d. Road Maintenance Plan

The Elundini Local Municipality has established a need for the development of a comprehensive Roads and Storm Water Maintenance Plan that provides a structure within the municipality to strategically budget for maintenance of its roads and storm water infrastructure. The purpose of the Maintenance Plan is to provide the Municipality with a broad overview of the Maintenance Strategy and how this is accommodated within the allocated budget. The following are the main items that are taken into consideration when developing the Maintenance Plan:

- i. Assessing the road network in order to quantify the required road maintenance activities,
- ii. Developing a preliminary road maintenance strategy,
- iii. Develop a priority list of work to be conducted which is acceptable to all stake holders to suite the available budget, and
- iv. Social requirements of the community.

Activities of Road Maintenance are listed below:-

(i) Paved (Tar) Roads:-

- a. Pot Hole Patching
- b. The application of a slurry to the road to seal cracks
- c. Maintenance of associated storm water

(ii) Gravel Roads (these roads have existing storm water infrastructure):

- a. Dry Blading
- b. Wet Blading
- c. Special Blading
- d. Patch Gravelling
- e. Maintenance of associated storm water
- f. Rehabilitation of the road by rip, reshape, compact and add a new gravel wearing course to the road

Any roads where there is no gravel on the road and requires the design of storm water infrastructure should be accepted as roads which require construction.

e. Funding for Road Maintenance

Road maintenance funding for rural access roads has always been a challenge but recently there have been new developments.

There has been a change in the Division of Revenue Bill of 2016 which states that:

- ✓ Local municipalities investing in roads infrastructure must utilise data from the Rural Roads Asset Management System (RRAMS), where available, to identify and prioritise their investment on roads projects; including roads maintenance

ELM therefore is required to develop the Roads Maintenance Plan in line with the Rural Roads Asset Management System (RRAMS) including the funds that will be allocated to the plan.

3.23. Status Quo in the Roads Section

ELM has a full functional Roads Construction Unit with a full set of Plant equipment to ensure quality services are rendered in our internal projects. ELM entered into a service level agreement with the Department of Transport for the maintenance of roads in Mt Fletcher. In terms of this arrangement, the municipality is contracted by DoT to undertake routine and extensive maintenance of provincial roads within demarcated areas, for a predetermined contractual amount. With the “earned profit” the Municipality is to also attend to the access roads that are adjacent and/ linked with the provincial roads in order to integrate service delivery and avoid creating service delivery islands. As part of the plan for 19/20, the DoT has also commissioned the reconstruction of the Tinana Bridge which was flooded away in Ward 11 of the municipality.

The Municipality recovers its costs for roads construction through the Municipal Infrastructure Grant (MIG) and the district roads maintenance service level agreement (SLA) entered into with the Department of Transport (DoT). The municipality uses “An Industry Guide to Infrastructure Service Delivery Levels and Unit Costs”

document, issued by Department of Cooperative Governance and Traditional Affairs (COGTA), to determine the upper limits of allowable rates to be recovered from the MIG, whilst the SLA with DRPW specifies the rates that can be charged for work completed. Below is a summary of detailed findings that focus on operational and procedural aspects of the review:

Table 27: Review Findings

	FINDING	PERFORMANCE AREA	MANAGEMENT RESPONSE PLAN
1	Insufficient reserves built up for replenishing of the fleet	Financial performance	Increase the productivity in order to provide sufficient reserves for the replenishing of the fleet
2	Plant nearing the end of its useful life	Financial performance	Accredited service provider will evaluate the plant to see if its useful life can be extended.
3	The Servicing and Maintenance of the plant has not been managed properly	Plant Productivity	Schedule of maintenance of the plant has been developed and is being implemented although the section requires additional capacity. The revision of the organogram calls for additional capacity to strengthen this function to implement some of the servicing in house to reduce expenditure with Bell Equipment who currently implements all maintenance and repairs on Bell plant
4	Lack of standard operating procedures or guidelines in the operation of the plant	Plant Productivity	A set of Standard Operating Procedures has been formulated and the policy adopted by Council. Additional capacity is required for the implementation of the policy. The additional capacity has been formulated in the new organogram
5	Deficiencies in preventative maintenance processes	Plant Productivity	This item has been addressed under item 3 above
6	Duties and responsibilities on personnel involved in running the plant	Staffing	There has been a lack of capacity in this section but the section is waiting for the outcome of the work study and new organisational structure to be adopted by Council

7	No continuous training for the key staff running the plant	Staffing	During this financial year the operators and other key personnel have been sent for training
8	Inefficient Records Management	Operations and Management	This was initially resolved through the appointment of a contract roads technician but the individual responded to an internal advert and accepted an appointment in the PMU. Internal memos have been issued to address the problem But the section requires the adoption of the new organisational structure to resolve the problem
9	Lack of monitoring of actual expenditure	Operations and Management	The post of a departmental accountant has been identified on the new organisational which requires the adoption by Council
10	Lack of project management on previous projects implemented	Operations and Management	PMU will ensure proper project management for all the projects that utilises the plant
11	Deficiencies noted on the licencing of vehicles	Operations and Management	Licensing deficiencies has been resolved
13	Lack of a letter of good standing.	Operations and Management	Letter of good standing has been obtained.

3.24. Housing Provision

The provision of houses remains the sole responsibility of the Department of Human Settlement and the Elundini Municipality only plays the facilitation role. The facilitation responsibilities of the municipality include but not limited to:

- ✓ Identification of suitable land for building of houses in line with the SDF;
- ✓ Engaging communities on the suitable type of houses to be built on their areas;
- ✓ Compiling a demand list, submit it to the municipal Council for endorsement then send project list to the DHS;
- ✓ The department then develops a project list of new houses to be built in dealing with the housing demand;
- ✓ Compiling of beneficiary lists and submitting it to the department for scanning;
- ✓ Engaging other sector departments for the provision of other services;

The Department of Human Settlement, together with the ELM, have during the financial year, 2014/2015, undertook a second round of reviewing the Elundini Housing Sector Plan (HSP). The review of the HSP has led to a substantive status quo analysis, aiming to meaningfully identify and assess the housing and infrastructure situation as it related to demand, supply and integration. Importantly so, when reviewing the HSP, much was put on the implementability of desired projects to ensure accelerated development of sustainable human settlement and therefore, for each identified project, a feasibility study was conducted. As a result, the HSP lists all implementable projects as ‘planned’, whereas the non-implementable ones are reflected as ‘desired’. Other housing projects for ELM can also be seen on Section G of this document.

The pivotal foci of the HSP review process were: **integration** – characterized by visits to the broader community, sectorial departments and stakeholders; **inclusivity** – characterized by presentation of the HSP to the municipal Council for endorsements, resulting in ultimate approval of the HSP by the MEC for Human Settlements; and **analysis** – characterized by a study of the human settlement situation, latest statistical data and other relevant documentary evidence. The HSP, with further details on human settlement is attached to this document as an annexure. Although the housing provisioning rests with the department of Human Settlement, the municipality together with the officials from the department has identified all blocked and defective housing projects and those that are ready to be implemented. The identified housing projects are located in the urban areas as well as in the prioritized areas. ELM in line with the Municipal Property Rates Act, develops a valuation roll of all the registered properties within its area of jurisdiction. The Act requires that local municipalities to generate a valuation roll every 4 years and a supplementary valuation roll every year to update relevant information on the roll. The value of the properties reflecting on the valuation roll serves as the basis for the property rates billed to property owners to generate municipal revenue as depicted in the annual budget report. Due to the alignment process with the amended property rates Act, CoGTA has requested all municipalities to extend the validity period of the valuation roll with one year in order to facilitate an improved reporting and assessment process for all municipalities to ensure compliance to the Act.

ELM was due for general valuation whose valuation date was 01 June 2017. The Municipality’s Valuation Roll was approved in June 2018 for implementation on 01 July 2018. A supplementary valuation was made available for objections and commenting from 01 May 2019 and objections closed on 31 May 2019.

ELM is in the process of revising existing town planning schemes and policies in order to align with the Spatial Planning and Land Use Management Act. The municipality’s GIS system is being upgraded in order to ensure accuracy of all available information on properties and municipal assets and infrastructure. Importantly in line with the Property Rates Act, the municipality has a Municipal By- Law and Property Rates Policy, property owners are billed rates monthly which are due and payable within 30 days of date of invoice. Of importance to

note is that in ELM there were no land claims lodged in our municipal area and this was verified by the letter received by the municipality from the Land Claims Commissioner.

3.25. Electricity

The statistics as per Community Survey 2016 for access to energy is as follows:

3.25.1. Household access to electricity

Table 28: Access to electricity

Source	JGDM	ELM
In-house conventional meter	21714	6165
In-house prepaid meter	283756	87741
Connected to other source which household pays for	2199	24
Connected to other source which household is not paying for	128	-
Generator	362	170
Solar home system	2832	2322
Battery	-	-
Other	4206	3659
No access to electricity	57715	44847

Source: Community Survey 2016

3.25.2. Household usage of candle

Table 29: Use of candle

	Yes	No	Unspecified
DC14: Joe Gqabi	197556	128730	46626
EC141: Elundini	94124	32907	17899

Source: Community Survey 2016

3.25.3. Municipal survey on electricity

Access to electricity has progressively improved since the last financial year because there have been some areas around the municipality that have been electrified. The most hit areas still without electricity are the rural villages around the Mt. Fletcher area. ELM bills its urban consumers of electricity on a monthly basis. ELM has developed the Electricity Master Plans, incorporating the Notified Maximum Demand (NMD) for electricity, for both Ugie and Maclear towns intended for both the development and expansion of electricity infrastructure and supply for both towns. ELM was given license by NERSA to supply and distribute electricity to the towns of Ugie and Maclear. The municipality is also providing alternative energy, solar system, to Wards 4, 8, 11, 12, 13, 14, 15 and 16. The electrification of rural households is largely dependent on the electrification program by ESKOM. The municipality has also approved the implementation of the Solar Water Heating Systems (Solar Geysers) for low income households in the following areas:

Table 30: Installation of Solar Heating System

AREAS	NUMBER OF UNITS
Bhekela (Ugie)	1 456 units
Takalane (Ugie)	664 units
Ugie Park	250 units
Maclear Phase 1	665 units
Greenfields Maclear	250 units
Mangoloaneng	365 units
Ngcele	500 units
Katkop	500 units
Isinxako (under construction)	486 units

ELM, through its Public Participation Unit, together with the Ward Councillors consolidated a list of all households in all the wards that are still not have been electrified. The electrification backlogs below reflect that there are still 24 221 households, equalling 41% of households who are still not have been electrified and 31 655 households, equalling 59% of households that have been electrified.

The table below depicts the electrification backlogs and planned electrification by ELM:

Table 36: Planned electrification program

WARD	Villages	Total H/H	Electrified	Not Electrified	% Not Electrified
1	12	2 823	2 635	780	28%
2	7	3 275	2 466	809	25%
3	12	2 381	1 823	558	23%
4	21	2 336	1 797	539	23%
5	15	2 712	2 348	364	13%
6	10	4 968	4 732	236	5%
7	24	3 378	2 150	594	18%
8	21	2 502	988	1 224	49%
9	6	2 354	1 648	706	30%
10	15	3 962	2 575	1 387	35%
11	16	3 065	1 488	1 542	50%
12	12	4 430	2 882	359	8%
13	10	2 773	749	1 474	53%
14	15	2 708	486	2 222	82%
15	10	8 071	626	7 445	92%
16	25	3 960	478	3 371	85%
17	16	2 866	1 784	611	21%
TOTAL	247	58 564	31 655	24 221	41%

As per the ESKOM electrification program, below is the plan for electrification for the financial year 2019/2020 in Elundini:

Table 31: Planned electrification by ESKOM

Project Name	Planned CAPEX	Planned Connections	Village Beneficiaries
Amahlubi 02	R 6 000 000	250	Phirintsu, Phuthing, Zindawo
Amahlubi 02 Link Line	R 2 800 000		
Amahlubi 03 (2020/21 Pre-eng)	R 202 776		
Batlokoa 03	R 2 400 000	100	Diphakoeng, Port of Ngcwaleni
Batlokoa 03 Link Line	R 1 400 000		
Batlokoa 02 SP	R 7 200 000	300	Upper Tokwana
Batlokoa 02 Link Line	R 1 120 000		
Batlokoa 02 (2020/21 Pre-eng)	R 272 412		
Elundini Extensions	R 4 800 000	200	Mpharane
Elundini Exts. Link Line	R 1 120 000		

ELUNDINI PH 4	R	9 600 000	Katkop, Magedla, Plazini Plass, Njaboya, Nkalweni, Chevy Chase 400 C1, Chevy Chase C2
Elundini Ph 4 Link Line	R	1 680 000	
ELUNDINI PH 4 Pre-ng (2020/21 Plan)	R	197 000	
Elundini Ph 3 Link lines	R	5 600 000	
Elundini Extensions Pre-eng (2020/21 Plan)	R	220 000	
Elundini Schedule 5B Pre-eng.	R	834 783	
Elundini Type 2 Infills	R	5 760 000	443
Total Plan	R	51 370 195	1693

3.25.4. Energy Efficiency and Demand Side Management

In an attempt to reduce energy consumption in municipal infrastructure, Elundini Local Municipality has secured an EEDSM grant from the Department of Energy and National Treasury through section 5(b) of the Division of Revenue Act (DORA) to measure and quantify the current energy consumption baseline and energy savings potential of the municipality. The measurement and quantification of energy consumption baseline are to be achieved through historical electricity bills, and the installation of smart meters, whilst energy savings will be achieved by the replacement of inefficient technologies with energy efficient technologies such as Light-emitting diode (LED) for buildings, public lighting and traffic signals; efficient Heating, Ventilation, and Air-Conditioning (HVAC) system; and efficient motors and variable speed drives for water services plants.

This project consists of two parts to be implemented simultaneously for the following towns: Maclear, Ugie and Mount Fletcher. The EEDSM project shall be implemented in three phases (pending allocations on the EEDSM Grant), namely:

- ✓ Replacements of High-Pressure Sodium and Induction Street lights with (Light Emitting Diode) LED lighting. The existing public lighting fittings varies from 40W to 1000W;
- ✓ Retrofitting of tubes and bulbs on the fluorescent lights and other fittings in the Municipal buildings namely (Offices, Libraries and Community Halls, etc). Most lightings in these buildings consists of various types ranging from 14WCFL to 150W mercury vapour fittings. The intention is to replace the bulbs and rewire the fittings to accommodate the new LED tubes/bulbs and fittings occupancy sensors in all offices. It is envisaged that in some cases T5 bulbs and fittings;
- ✓ Replacements of existing 46 High Mast each consisting of 6 x 1000w on 40m light fittings with a **MAXIMUM** 400W LED fittings. There are also a number of 9 x 400W fittings on 30m High Mast Lighting

that need to be replaced with a **maximum** of 200W LED fittings. (Please see tender for technical details of high mast fitting.

3.25.5. Solar Water Heater Geysers

The municipality has also approved the implementation of the Solar Water Heating Systems (Solar Geysers) for low income households in the following areas:

TOWNSHIP	NO OF HOUSEHOLDS	NO OF BENEFICIARIES SUBMITTED
Bhekela	1456	309
Takalane & Robben Island	664	370
Mandela Park	206	206
Ntokozweni	177	177
Old Location Ugie	300	255
Ugie Park	250	256
Maclear Phase 1	665	365
Maclear	200	52
Ugie	300	0
Greenfields	250	295
TOTAL	4468	2 284

The absence of beneficiary information may result in lack of commitment on the allocated 5000 Solar Water Heater Geysers and as such, additional qualifying areas need to be identified as part of the programme. An estimated 400 SWH installers are earmarked to be trained within the municipality

3.25.6. Enrolment of Small Scale Embedded Generation (SSEG) Transition in Our Municipality

Due to increases in the price of electricity from the national grid and a steady decline in the price of decentralised generation options such as solar PV small-scale embedded generation (i.e. 'rooftop' type systems), decentralised generation sources such as SSEGs are becoming financially more attractive in South Africa. Increasingly such systems are being installed by businesses and residences. It is therefore important that

approval procedures are established and standards are adhered to by municipal distributors to regularise this fast changing situation.

Considering these dynamics, municipalities are compelled to re-define their role in the electricity value chain and adapt their funding and operating models. The South African – German Energy Programme (SAGEN) in cooperation with the Department of Energy (DOE) and the South African Local Government Association (SALGA) is providing technical support to municipalities on aspects of this transition.

The Council for Scientific and Industrial Research (CSIR) and Sustainable Energy Africa NPC (SEA) are implementing partners on the SAGEN programme and are focusing on the safe integration of Small-Scale Embedded Generators (SSEG) into municipal infrastructure as well as the development of sustainable business models for municipal utilities. In this regard, our municipality has been granted support among other five municipalities in the Eastern Cape in this transition.

3.25.7. Support to Municipal Energy Management System

Since municipalities in South Africa differ widely in terms of their size, capacity and resources as well as their levels of awareness and implementation of energy efficiency measures. The project accommodated this by identifying three different “categories” of municipalities (Innovators – Aspirants – Beginners) and will implement different and adapted approaches of support suited to the needs of each. In this light, the South African-German Energy Programme (SAGEN) GIZ and its partners, the Department of Energy and South African Local Government Association (SALGA) is supporting selected municipalities to enable them to implement municipal energy management systems (MEMS) within the operational structures of the municipality, with the aim to reduce their own consumption of electricity. In this context, an energy management system refers to a structured process to identify energy cost centres, measure energy supply, identify opportunities for energy savings, plan energy saving interventions, implement interventions and measure and report impact. The Municipal Energy Management Systems (MEMS) programme offers intense Support for 4 – 6 municipalities in developing a MEMS. Elundini Municipality has been accepted for support in the MEMS implementation for the 2019/20 financial year.

3.26. Transportation

3.26.1. Freight transport

Being a rural municipality, freight transport is an important facility for the Elundini. The various businesses and institutions rely on freight transport services to import most of the food, products and goods needed for local consumption. The growing timber industry in the area places a significant burden on the road network and

damage to the roads is evident on most routes. National government has developed a strategy around freight transportation through rail systems. A railway line exists within the municipality but is defunct.

A truck stop in Ugie, owned by PG Bison was completed in 2008 and is operational, creating a significant impact on freight transportation in the area. PG Bison has proposed a by-pass route from MR 723 to R56 via Maclear. There are problems that are brought about by the heavy duty trucks ferrying logs in particular between Maclear and Ugie towns resulting in excessive silt on surfaced streets and blocking storm water drainage system. In the process of negotiating a bypass around Maclear with PG Bison, there is a need for PG Bison to provide wheel washing bays for their trucks. ELM is also looking at the possibility of constructing a weigh bridge so that the money generated from it can be used back in repairing and upgrading our roads as they are being damaged by the heavy loads carried by the heavy trucks.

3.26.2. Public transport

Related to provision of public transport is the need for basic essential services such as water, sanitation and shelters at key facilities. There is a need to provide these services at all the nodes (rural and urban) as defined in the Spatial Development Plan. Areas with high dependency on public transport especially the primary and secondary nodes should receive priority. These are mostly remote rural of ELM. ELM currently has no vehicle testing station and a weigh bridge in place but there are plans in place for the construction of these two facilities. It must be noted that the municipality only provides for driving licensing for Code 8 and vehicle registration only on behalf of the Department of Transport.

There is no official taxi rank in Ugie but an informal taxi rank, on the main street is being used. This arrangement is not suitable for commuters and there are no shelters, however there are ablution facilities. There is a formal taxi rank in Maclear in Fourie Street. This taxi rank functions well as it has taxi / bus shelters and ablution facilities for commuters. The taxi rank is insufficient for all the taxis as taxis can be seen using other areas around town as informal taxi ranks. The ablution facilities in the Maclear taxi rank are not well maintained and need to be upgraded. There is a plan to close the storm water drain in the south eastern side of Fourie Street with a view to provide hawkers facilities.

The municipality has completed the construction of the Mount Fletcher Taxi Rank and is now embarking on the construction of the Mount Fletcher Vehicle Testing Station. The taxi rank facility provides for both modes of transport, taxis and busses and as well has facilities for hawkers through the construction of hawkers' stalls. The facility also has a management building for the operators of the taxis and the busses.

The following modes of public transport are prevalent in the Elundini Municipality:

- ✓ Long distance buses,
- ✓ Mini buses and taxis,
- ✓ LDV bakkies with canopies which also provide scholar transportation,
- ✓ Horseback,

Problems relating to public transportation include the following:

- ✓ Non availability of a local integrated transport plan. However the municipality is currently developing such a plan,
- ✓ Poor road conditions,
- ✓ Lack of designated public transport route,
- ✓ Lack of capacity at local authority levels to address public transport planning,
- ✓ Lack of sustainable and dedicated funding for public transport services, facilities and maintenance,
- ✓ Inadequate scholar, disabled and elderly transport,
- ✓ The illegal use of “bakkies” as public transport vehicles,
- ✓ Ageing of minibus-taxi vehicle fleets,
- ✓ Lack of public transport information,
- ✓ Public transport safety and security and,
- ✓ Lack of roadworthy testing station

3.26.3. Railway services

The weekly railway transport passenger services between Johannesburg and the Eastern Cape is only accessible at Burgersdorp to the West of the district and has very little impact on the rest of the area, especially Elundini, which is situated in the East of the district. The branch line which used to serve as a freight and passenger facility is no longer operational

3.26.4. Airfields

There are two airfields in the area, which comprise grassed surfaces without lighting for night use. The airfield at Maclear is 1790 meters in length and the airfield at Ugie is 1000 meters in length.

3.26.5. Non-motorised transportation

Mostly, pedestrians in the township walk to various destinations, few use bicycles. The municipality has also constructed sidewalks for use of bicycles.

3.27. Public Amenities

3.27.1. Sports and Recreation Facilities

The municipality has seen to the construction of TV Park Sport field which was officially handed over to the community. It is also in the process of completing Ugie Sport Field Phase 2 as well as the completion of Hopedale/Ngcele Sport Field and Mt Fletcher Sport Field.

The sport fields comprise of a combined soccer/rugby field with irrigation system, synthetic running track, tennis court, netball/basketball combi-court, palisade fencing, flood lights, ticketing room, change rooms and ablution facilities. Engagements and interventions have since been made with Eskom but to date the power supply to the stadium has not been upgraded and energized. The sporting facilities are usually prone to vandalism after completion and a more community centred approach is being developed to ensure the efficient management of the sporting facilities.

The municipality plans on approaching the Department of Sport and Recreation for further funding opportunities on sporting facilities.

3.27.2. Community halls

From the table below, it shows that only 10 Wards in ELM have community halls and 7 wards do not have community halls. Some of the halls are either not accessible to the communities as there is no clear-cut policy of utilization or their accessibility is a challenge because of poor roads leading to them. Most rural communities are struggling as there are no halls within their areas of residence. In every community engagement with the Mayor the issues of the construction of community halls is always raised as a need in all the wards that do not have them. Two (2) community halls are still under construction at Ilisolomzi location in Ward 9 and at Lower Tsitsana Village in Ward 4. Most of the community halls in rural areas need some renovations.

The table below depicts the number of wards that have community halls and those that don't have community halls:

Table 32: Community halls

WARD No	NUMBER OF HALLS	NAME OF VILLAGE(S)
01	1	Nkalweni
02	1	Ntokozweni
03	1	Sonwabile
04	1	Maclear Town
05	0	

06	0	
07	1	Botshabelo
08	0	
09	1	Mt Fletcher Town
10	0	
11	0	
12	1	Mangoloaneng
13	1	Moabatsane Village
14	0	
15	1	Bethania Village
16	0	
17	1	Ugie Municipal Hall

3.27.3. Cemeteries

Most of the cemeteries in the municipality are generally nearing maximum capacity and a cemetery management system is required to co-ordinate their effective use. Of critical urgency are the numerous informal cemeteries/grave yards which are being used in and around the informal settlements of the three towns. These burial places are not registered and are not compliant in terms of environmental and other legal provisions such as EIA compliance. In Maclear, the only possible land for expansion is located on a vacant land owned by Public Works and used by the Magistrates Court. A new cemetery has been reserved on the outskirts of Maclear and this could accommodate 3000 graves. Unfortunately the community is currently refusing to utilize this new facility.

Generally the key challenge regarding cemeteries in the municipality is around communities being reluctant to use formally established cemeteries to avoid paying user charges. They instead resort to using informally established and unplanned cemeteries which must be closed down as a matter of urgency since this severely compromises the natural environment.

Recently an assessment report was developed for all sites that are being used for burial purposes to determine their suitability or otherwise. The report found among other things that most identified burial sites were informal and involved no technical investigations as required.

The municipality based on this has undertaken a process towards formalization of existing sites, closure of unsuitable sites as well as identification of new land for formal establishment of cemeteries in each town. This

process will be undertaken in anticipation of the introduction of a electronic cemetery management system which is already procured.

3.27.4. Pounds for small and large animals

In terms of the powers and functions, pound management is the responsibility of the municipality. Supporting legislation includes the relevant Pound Ordinance which is still applicable as well as the municipal bylaw.

All three animal pounds are not in a good state and do not conform to common standards for animal keeping and care. The Maclear pound which has been located within municipal office premises has since been relocated to a suitable area on the outskirts of Maclear town.

Even the above is not ideal by any measure of standard and require much more extensive infrastructure development than currently exist. In this regard a business plan has been developed in order to assist with proper project budgeting in order effect the necessary facility improvements.

3.27.5. Parks and open spaces

There are five (5) existing parks in ELM located in Ugie, Maclear and Mount Fletcher. Four of these parks were beautified. Caravan Park in Maclear was revamped and refurbished into an income-generating park for tourists. The refurbishment entailed the construction of swings, a braai area, tables and chairs, upgrading of electricity connections, building of walkways and installation of geysers and showers.

A lot, though, still needs to be done on the established parks in ensuring that they are well cared for and maintained. Upgrading of these which must include re-grassing, landscaping and fencing are matters which must receive priority attention. Installation of playground equipment as well as outdoor furniture within parks themselves and on pavements are features that have a potential of making our parks practical and user friendly spaces. There still is a challenge of providing secured ablution facilities on our parks to promote health and hygiene. Some of the parks like the one opposite the entrance to the municipal offices may need to be transformed into botanical gardens also in line with the “greenest concept” embraced as part of the municipality’s strategic goals. A Public Amenities Maintenance and Management Plan has been developed and approved by council and is being implemented.

3.27.6. Library and Information Services

Libraries are a function of the district sphere of government currently performed by the municipality on an agency basis. To give effect to this arrangement a Service Level Agreement has recently be signed with the district municipality who have committed to funding the services by way of a subsidy to the amount of R1,2m.

All three towns operate library facilities through seconded professional librarians assisted by staff appointed by the municipality. Some of the challenges regarding libraries include:

- ✓ Lack of access to internet services (in some libraries)
- ✓ Space constraints (no discussion rooms, offices etc.)
- ✓ Lack of dedicated maintenance plans
- ✓ Adequate funding
- ✓ Non-existence of a Memorandum of Agreement

Notwithstanding the above the municipality has made provision during adjustment budget to cater for roll out of internet connection to all the libraries. This improvement will include replacement and fitment air conditioning equipment. It is expected that these improvements will make libraries more user friendly.

3.28. Community Safety and Security

The fight against crime remains a challenge in the municipality and this is exacerbated by a very few number of police stations found in our area. Even those that are available, accessing them still remain a challenge because of poor road infrastructure and poor telecommunication. There is a Community Safety Forum chaired by Political Head responsible for Community Safety which sits quarterly. There are only eight (8) police stations in Elundini as indicated by the table below:

Table 33: Ward with police stations

POLICE STATION/COMMUNITY SERVICE CENTRE	AREA
Ugie	Ward 2
Maclear	Ward 3
Elands' Height	Ward 4
Katkop	Ward 7
Mbizeni	Ward 8
Mt. Fletcher	Ward 9
Tabase	Ward 13
Zamuxolo	Ward 14

The municipality maintains services of traffic officials to administer its two Driver Learner Testing Centers located in Maclear and Mt Fletcher (DLTCs). A Vehicle Testing Station has been planned for Mt Fletcher with conceptual drawings and plans already completed. The employment of Law Enforcement Officers has somehow eased the challenge on the implementation of by-laws although the unit is still receiving attention in terms of

more law enforcement staff being employed. Four (4) newly appointed Law Enforcement Officers are in the field with two (2) more expected to be employed before end of current financial year.

3.29. Primary Health Care and Municipal Services

In terms of the powers and functions, Environmental Health Services is a function of the District Municipality while Primary Health Care services have been provincialized. ELM responsibilities with regard to MHS are in the area of issuing of business licenses to food handling premises as well as registration of general dealers, control of nuisances, overgrown erven, enforcement of related bylaws and National regulations as well as other issues which may affect public health

3.29.1. Health Facilities

The ELM is characterized by a lack of access to health facilities as evident by the number of health facilities found in our area. The ELM has only two (2) hospitals and twenty one (21) clinics and four (4) mobile clinics in its area of jurisdiction. Areas that are normally serviced by the mobile clinics are usually those that are hard to reach areas due to either population size and mostly due to poor access roads. The Presidential Project of ideal clinics has been started in three (3) clinics of Maclear Town, Queen Noti and Taylor Bequest who will be functioning for 24 hours. The Emergency Medical Services are also found in Maclear, Ugie and Mt Fletcher. The two tables below depict the number of health facilities found in Elundini:

Table 34: PHC Facilities per Sub-District

Sub-Districts	Mobiles	Satellites	Clinics
Elundini Sub District	4	0	21
Maletswai Sub District	5	2	11
Senqu Sub District	8	2	20
District total	17	4	52

Source: DHIS Pivot tables

The table below as depicts the location of clinics in Elundini:

Table 35: Location of clinics

Name	Ward No.	Type of Facility	Name	Ward No.	Type of Facility
Empilisweni Clinic (Old location Ugie)	02	Clinic	Khungisizwe (Upper Nxaxa)	07	Clinic

ELM 2020 – 2021 DRAFT IDP

Ngxaza Clinic	05	Clinic	Seqhobong Clinic	13	Clinic
Hlangalane Clinic (Ramatee)	07	Clinic	Sonwabile Clinic	03	Clinic
Hlankomo Clinic	16	Clinic	St. Augustine's Clinic	05	Clinic
Katkop Clinic	07	Clinic	Taylor Bequest Hospital	09	District Hospital
Maclear Town Clinic	03	Clinic	Taylor Bequest (Solomzi	09	Clinic
Maclear Hospital	03	Hospital	Ugie Town Clinic	02	Clinic
Mangoloaneng Clinic	12	Clinic	Ulundi Clinic	14	Clinic
Bethania Clinic	15	Clinic	Umnga Flats Clinic	01	Clinic
Mqokolweni Clinic	06	Clinic	Ncembu Clinic	01	Clinic
Queen Noti Clinic	06	Clinic	Gqaghala Clinic	17	Clinic
Lower Tsitsana	04	Clinic			

A large number of people in Elundini remain without access to healthcare as there is no mobile service in the Mount Fletcher and the Ugie mobile service is not in operation. In the areas where the mobile clinic is operational, the poor conditions of the roads make it impossible to access some communities. Maclear has 131 mobile visiting points, but only frequents 120 because of the bad road conditions. There are on-going District Health Council (DHC) meetings which are held monthly in order to discuss plans to roll out primary health care facilities for better and equitable access. Possible extensions to the Ugie Clinic with a view to transforming it into a 24 hour facility/health center are as reportedly being considered by the provincial Government. It is too expensive for all of the communities to access the fixed health facilities in town. This means that they can't attend preventive services such as immunization for children and family planning.

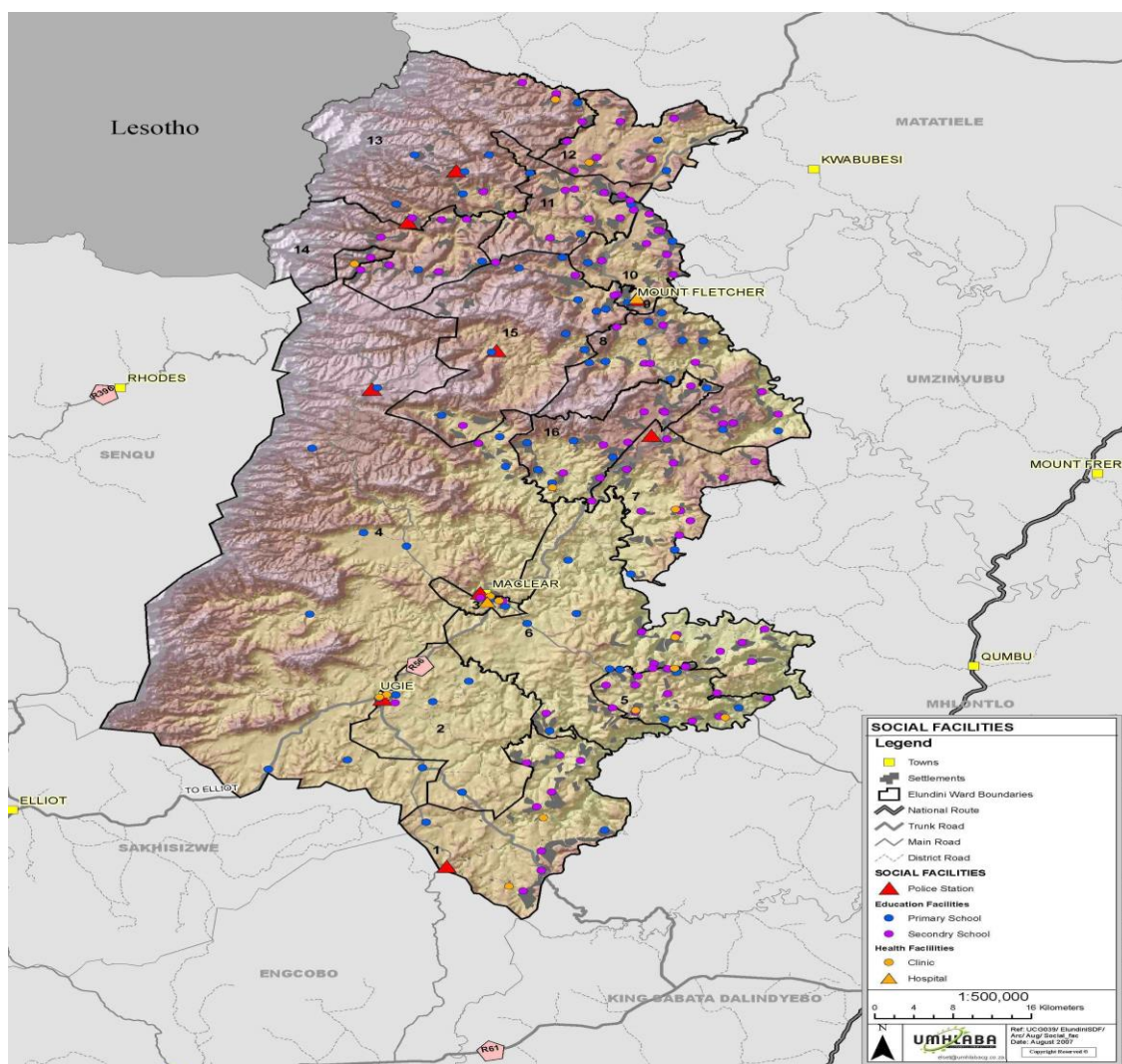
The plan overleaf indicates the spatial location of community facilities in the form of clinics, hospitals, police stations and schools in the Elundini Municipality. Challenges that characterize the functioning of some health facilities in Elundini include, but not limited to, the following:

- ✓ Shortage of staff
- ✓ Lack of running water;
- ✓ Lack of telecommunications;
- ✓ Poor access roads;
- ✓ Lack of electricity;
- ✓ Continuous overflowing of sewerage ponds in clinics around Mt Fletcher;

3.29.2. Priority Health Promotion

The priority programs are HIV and AIDS, TB and mother and child services. There are community based initiatives aimed at prevention of disease and promotion of healthy lifestyles. The district area is implementing the 5 priority health promotion campaigns of nutrition, substance abuse, tobacco, use of healthy environments and risks. In addressing the HIV/AIDS, the ELM has developed HIV/AIDS Strategy which was adopted by Council. In as far as implementation of the plan, the Local Aids Council has been established and launched. It is constituted by role players from different sectors of community including, Health, Business, other Govt. Dept., Community workers and HIV/AIDS activists/groups. The ward based HIV/ AIDS forums have also been establish across 16 wards in ELM. The HIV/AIDS program in Elundini is politically championed by Portfolio Head Community Services and administratively executed in the Office of the Municipal Manager.

MAP OF SOCIAL FACILITIES



3.29.3. Social Determinants of Health

			Country	Province	District
			ZA	EC	DC14
			South Africa	Eastern Cape	Joe Gqabi DM
1	Percentage of female headed households (%)	2016	41.3	49.1	46.9
	Percentage of population 20 years and older with no schooling (%)	2016	7.1	8.1	8.1
	Percentage without higher education (%)	2016	92.2	91.7	94.2
	Percentage without matric (%)	2016	56.3	54.9	80.5
	Unemployment rate (%)	2011	29.8	37.4	35.4
	Youth unemployment rate (15-34 years) (%)	2011	38.4	47.3	43.3
2	Formal dwellings (%)	2016	79.2	65.1	69.6
	Percentage of households using electricity for lighting (%)	2016	90.3	85.4	80.2
3	Drinking Water System (Blue Drop) Performance Rating (%)	2014	79.6	72	75
	Percentage of households with flush toilet connected to sewerage (%)	2016	60.6	46.8	34.1
	Percentage of households with piped water inside dwellings (%)	2016	44.4	33.4	19.2
	Percentage of households with weekly refuse removal (%)	2016	61	41.3	34.1

Performance

Worst 10 DM

Other

Source: Stats SA (Local Government Handbook)

3.29.4. Burden of disease – Leading causes of death in the District

Joe Gqabi: DC14

AgeGroup ..	Female				Male			
<1 year	78%	9%	7%	5%	77%	12%	7%	4%
1-4	65%	9%	11%	16%	57%	14%	5%	23%
5-14	29%	23%	25%	23%	27%	18%	8%	47%
15-24	13%	57%	16%	15%	8%	17%	13%	62%
25-49	14%	60%	21%	5%	11%	51%	16%	22%
50+	10%	13%	74%	3%	11%	22%	62%	5%
Grand Total	15%	27%	53%	5%	15%	31%	40%	14%

Broadcause

Injury

NCD

HIV and TB

Comm_mat_peri_nut

3.29.5. Child Health Care

				Country	Province	District	LM2016		
				ZA	EC	DC14	EC141	EC142	EC145
				South Africa	Eastern Cape	Joe Gqabi DM	Elundini LM	Senqu LM	Walter Sisulu LM
Early neonatal death in facility rate (per1K)	Impact	DE Ind	2018/19	9.8	10.3	9	9.1	8	10.4
Neonatal death in facility rate (per1K)	Impact	DE Ind	2018/19	12.1	12.5	10.5	9.1	9.7	13.6
Death in facility 0-7 days (No)		DE	2018/19	9 431	1 080	43	16	14	13
Death in facility 8-28 days (No)		DE	2018/19	2 212	231	7	0	3	4
Live birth in facility (No)		DE	2018/19	959 720	104 655	4 758	1 761	1 746	1 251
Death in facility under 1 year rate (%)	Impact	DE Ind	2018/19	7.5	6.7	9.4	13.9	7.7	9.1
Death in facility under 1 year (No)		DE	2018/19	14 841	1 860	79	23	31	25
Death in facility under 5 years rate (%)	Impact	DE Ind	2018/19	4.8	5.1	5.9	8.8	5.2	5.1
Death in facility under 5 years (No)		DE	2018/19	16 844	2 154	91	29	37	25
Diarrhoea case fatality under 5 years rate (%)	Impact	DE Ind	2018/19	1.9	3	1.9	5.1	0.77	0.98
Diarrhoea death under 5 years (No)		DE	2018/19	679	127	6	4	1	1
Diarrhoea separation under 5 years (No)		DE	2018/19	36 009	4 196	311	79	130	102
Pneumonia case fatality under 5 years rate (%)	Impact	DE Ind	2018/19	1.9	3.2	3.2	5.6	3.2	0
Pneumonia death under 5 years (No)		DE	2018/19	962	147	6	4	2	0
Pneumonia separation under 5 years (No)		DE	2018/19	50 212	4 564	185	72	62	51
Severe acute malnutrition case fatality under 5 years rate ..	Impact	DE Ind	2018/19	7.1	8.9	6.8	4	11.1	2.6
Severe acute malnutrition death under 5 years (No)		DE	2018/19	806	131	8	1	6	1
Severe acute malnutrition inpatient under 5 years (No)		DE	2018/19	11 280	1 464	117	25	54	38
Infant PCR test positive around 10 weeks rate (%)	Outcome	DE Ind	2018/19	0.74	1	1	0.62	1.7	0.43
Infant PCR test positive around 10 weeks (No)		DE	2018/19	1 371	218	10	2	7	1
Infant PCR test around 10 weeks (No)		DE	2018/19	185 318	21 343	974	324	415	235
Immunisation under 1 year coverage (%)	Output	DE Ind	2018/19	81.9	71.9	64	64.8	68.4	56.4
Immunised fully under 1 year new (No)		DE	2018/19	944 650	117 114	5 263	1 926	2 157	1 180
Infant exclusively breastfed at DTaP-IPV-Hib-HBV 3rd dose..	Output	DE Ind	2018/19	49.5	50	38.6	37.1	37	43.5
Infant exclusively breastfed at DTaP-IPV-Hib-HBV (Hexaval..		DE	2018/19	477 984	55 911	2 022	701	764	557
DTaP-IPV-Hib-HBV (Hexavalent) 3rd dose (No)		DE	2018/19	966 387	111 861	5 236	1 891	2 065	1 280
Measles 2nd dose coverage (%)	Output	DE Ind	2018/19	76.5	65.1	59.4	58.7	60.4	58.5
Measles 2nd dose (No)		DE	2018/19	890 235	107 475	4 951	1 767	1 936	1 248
Vitamin A dose 12-59 months coverage (%)	Output	DE Ind	2018/19	56.6	55.4	49.6	49.4	47.8	52.1
Vitamin A dose 12-59 months (No)		DE	2018/19	5 319 196	740 339	33 417	12 055	12 419	8 943

Value highlighted in green – performance is ranked among the 10 best in the country

Value highlighted in Red – performance is ranked among the 10 worst in the country

Value highlighted in Orange – performance of the sub-district is possibly below the performance of the district.

ELM 2020 – 2021 DRAFT IDP

3.29.6. HIV

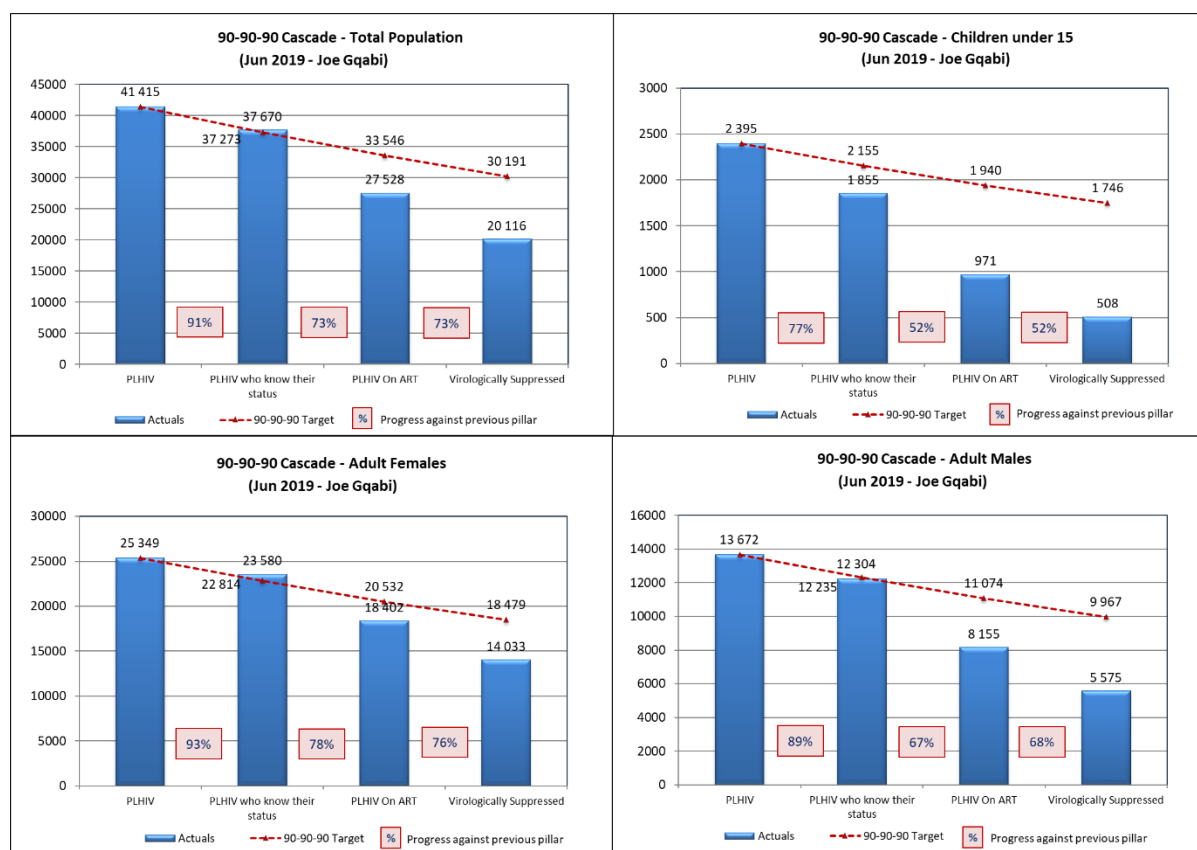
			Country ZA South Africa	Province EC Eastern Cape	District DC14 Joe Gqabi DM	EC141 Elundini LM	LM2016 EC142 Senqu LM	EC145 Walter Sisulu LM
Adult ART cumulative started ART minus ART cumulative TFO (No)	DE	2017	3 637 602	388 998	22 057			
		2018	3 975 549	425 688	23 935			
Adult with viral load suppressed rate 12 months (%)	3rd 90 Outcome	Ind	2017	86.7	84.7	79.8		
			2018	90.6	86.2	81.5		
Adult living with HIV viral load suppressed (VLS) 12m (No)	DE	2018 Q1	2 749 656	267 948	13 072			
		2019 Q1	2 952 213	284 933	15 617			
ART Adult client viral load done (VLD) (No)	DE	2017	80 507	7 279	338	156	117	65
		2018	95 028	8 442	421	194	149	78
Child with viral load suppressed rate 12 months (%)	3rd 90 Outcome	Ind	2017	63.5	56.7	62.4		
			2018	68	63	44.8		
Child living with HIV viral load suppressed (VLS) 12m (No)	DE	2018 Q1	80 148	8 975	377			
		2019 Q1	67 400	7 110	337			
Adult with viral load completion rate at 12 months (%)	2nd 90 Output	Ind	2017	65.8	58.5	53.5	66.7	44.2
			2018	71.7	62.4	60.8	73.2	53.6
ART Adult first-line regimen (FLR) + second-line regimen (SLR) at 12 months (No)	DE	2017	122 168	12 437	630	234	263	133
		2018	108 851	11 602	468	188	185	95
Clients remaining on ART rate (%)	2nd 90 ..	Ind	Mar 2019	65.1	62.9	65.8		
Total Clients remaining on ART at the end of the month (No)	DE	Mar 2018	4 189 070	452 072	25 238	9 329	9 707	6 202
		Mar 2019	4 629 831	493 879	27 035	10 033	10 708	6 294
Total living with HIV (No)	DE	2018 Q1	6 966 276	770 705	42 640			
		2019 Q1	7 109 877	785 264	41 080			
HIV test positive 19 months to 14 years rate (%)	1st 90 ..	Ind	2018/19	1.6	1.2	1.9	1.3	2
HIV test positive client 19 months to 14 years (No)	DE	2018/19	15 369	1 552	61	22	21	18
HIV test client 19 months to 14 years (No)	DE	2018/19	936 115	128 898	3 272	1 757	1 056	459
HIV test positive client 15 years and older rate (incl ANC)..	1st 90 ..	Ind	2018/19	6.1	5.3	6.5	5.9	7.5
HIV test positive 15 years and older (excl ANC) (No)	DE	2018/19	725 581	79 217	2 905	1 214	1 135	556
Antenatal client HIV 1st test positive (No)	DE	2018/19	89 554	10 080	516	189	219	108
HIV test 15 years and older (excl ANC) (No)	DE	2018/19	11 858 516	1 491 093	44 407	20 452	15 208	8 747
Antenatal client HIV 1st test (No)	DE	2018/19	855 680	86 619	4 314	1 484	1 764	1 066
HIV testing coverage 19 months to 14 years rate (%)	1st 90 ..	Ind	2018/19	3.4	3.8	3.2	3.7	2.9
HIV testing coverage age 19 months and older (%)	1st 90 ..	Ind	2018/19	48.1	49.7	49.7	49.8	49.2
HIV test client age 19 months and older (No)	DE	2018/19	13 650 311	1 706 610	51 993	23 693	18 028	10 272
Male condom distribution coverage (No)	1st 90 ..	Ind	2018/19	36.8	33.3	42.1	51.9	33.6
Male condoms distributed (No)	DE	2018/19	726 202 616	73 672 416	4 788 000	2 286 000	1 392 000	1 110 000
Medical male circumcision rate (per1K)	1st 90 ..	Ind	2018/19	26.4	4.3	7.4	3.5	12.1
Medical male circumcision 10 years and older (No)	DE	2018/19	595 006	11 396	994	184	588	222
Adult ART Total (No)	DE	2017	3 677 996	393 817	22 313			
		2018	4 032 106	432 133	24 247			
Adult Cumulative Loss to Follow-up (LTF) (No)	DE	2017	28 933	2 997	167	68	56	43
		2018	41 608	4 334	212	87	62	63
Adult Cumulative Transferred out (TFO) (No)	DE	2017	9 128	1 432	59	25	25	9
		2018	12 693	1 777	68	27	35	6
Adult Died (RIP) (No)	DE	2017	2 333	390	30	11	12	7
		2018	2 256	334	32	9	14	9
Child ART Total (No)	DE	2017	166 588	20 323	1 004			
		2018	164 196	19 939	991			

Source: DHIS

Value highlighted in green – performance is ranked among the 10 best in the country

Value highlighted in Red – performance is ranked among the 10 worst in the country

Value highlighted in Orange – performance of the sub-district is possibly below the performance of the district.



ELM established partnerships with Home Community Based Care Centres (HCBCs) as the main strategy to fight the scourge of HIV and AIDS within ELM. Through this partnership ELM currently supports 16 HCBCs financially and the partnership is renewed annually. The following are the deliverables for HCBCs:

- Education and awareness through door to doors, mobilization of communities to big venues and reaching out to areas where people had gathered themselves.
- Provision of care and support for orphans and vulnerable children
- Make referrals to relevant institutions like clinics, hospitals and government departments
- Create support system for people infected and affected

Joe Gqabi is currently at 91-73-73 in terms of performance against 90-90-90 across its total population. The District is ranked 3rd out of the 8 districts in the province against 90-90-90. Results for each of the sub-populations vary, with adult females at 93-78-76, adult males at 89-67-68, and children at 77-52-52. For adult males and females, focus must be placed not only on initiation onto ART, but also on ensuring that clients are retained in care. There is a growing number of adults who have been previously diagnosed, but are not on ART. This includes those who had started ART and defaulted, as well as those who were never initiated. The results do show, that for women who remain on ART, suppression rates are higher. There are gaps across the cascade for children under 15 years. Case finding, ART initiation and retention have all underperformed and should be addressed through focused interventions. To achieve 90-90-90 targets, the

ELM 2020 – 2021 DRAFT IDP

district must increase the number of adult men on ART by 2019, the number of adult women on ART by 2131, and the number of children on ART, by 969, by December 2020.

3.29.7. TB

				Country	Province	District
				ZA	EC	DC14
				South Africa	Eastern Cape	Joe Gqabi DM
TB DS death rate (%)	Impact	Ind	2017	6.5	6.2	8
DS TB patients who died (No)		DE	2017	16 133	2 674	156
All DS TB patients in cohort (No)		DE	2018	225 553	40 401	1 777
TB DS client lost to follow up rate (%)	Outcome	Ind	2017	8	7.8	6.5
DS TB patients who were lost to follow up (No)		DE	2017	19 761	3 386	126
TB DS treatment success rate (%)	Outcome	Ind	2017	76.3	77.1	75.2
DS TB patients who completed treatment or were cured ..		DE	2017	188 352	33 351	1 461
TB MDR client death rate (%)	long regimen	Impact	2016	20.8	26	35.4
	short regimen	Impact	2017	17.3	21.3	21.7
TB MDR client loss to follow up rate (%)	long regimen	Outcome	2016	19.6	16.8	10.4
	short regimen	Outcome	2017	14.6	11.1	0
TB MDR treatment success rate (%)	long regimen	Outcome	2016	53.9	50.5	37.5
	short regimen	Outcome	2017	49.6	48.5	50
TB XDR client death rate (%)	long regimen	Impact	2016	21.3	27	
	short regimen	Impact	2017	20.7	27.9	0
TB XDR client loss to follow up rate (%)	long regimen	Outcome	2016	11.3	4.4	
	short regimen	Outcome	2017	7.7	4.1	0
TB XDR treatment success rate (%)	long regimen	Outcome	2016	58.1	58.9	
	short regimen	Outcome	2017	31.3	30.3	0
TB symptom 5 years and older screened in facility rate (..	Process ..	Ind	2018/19	83.7	79.1	86.9
Screen for TB symptoms 5 years and older (No)		DE	2018/19	82 929 115	11 122 458	589 988
PHC headcount 5 years and older (No)		DE	2018/19	99 082 287	14 060 982	679 315
TB symptom child under 5 years screened in facility rate ..	Process ..	Ind	2018/19	81.7	74.7	86.3
Screen for TB symptoms under 5 years (No)		DE	2018/19	16 547 063	1 900 344	105 239
PHC headcount under 5 years (No)		DE	2018/19	20 264 739	2 544 587	121 965
TB/HIV co-infected client on ART rate (ETR.Net) (%)	Outcome	Ind	2017	89.1	96.8	96.6
		DE	2018	86.6	94.1	87.3
HIV-positive TB cases who are on ART (No)		DE	2018	108 481	18 334	840
HIV-positive TB cases (No)		DE	2018	125 222	19 490	962
All MDR TB patients in cohort (No)	long regimen	DE	2016	11 203	1 936	48
	short regimen	DE	2017	10 308	1 803	60
MDR TB patients who completed treatment or were cured (No)	long regimen	DE	2016	6 040	978	17
	short regimen	DE	2017	5 115	874	30

Source: DHIS, TIER.Net, EDRWeb

Value highlighted in **green** – performance is ranked among the 10 best in the country

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Value highlighted in **Orange** – performance of the sub-district is possibly below the performance of the district.

3.29.8. Non – communicable Diseases

				Country	Province	District	LM2016		
				ZA	EC	DC14	EC141	EC142	EC145
				South Africa	Eastern Cape	Joe Gqabi DM	Elundini LM	Senqu LM	Walter Sisulu LM
Clients 40 years and older screened for diabetes (No)	Process ..	DE	2018/19	6 070 577	2 491 684	187 713	58 196	99 633	29 884
Clients 40 years and older screened for hypertension (No)	Process ..	DE	2018/19	5 800 824	1 972 192	117 109	40 686	56 879	19 544
Diabetes new client 40 years and older detection rate (%)	Process ..	DE	2018/19	0.87	1	1	0.84	0.44	2.4
Diabetes client 40 years and older new (No)		DE	2018/19	136 931	16 430	723	233	117	373

Source: DHIS.

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ELM 2020 – 2021 DRAFT IDP

3.29.9. Quality of Care

In-facility mortality:

Local Municipality	Facility type	Facility	Death in facility 0-7 days	Death in facility 29 days - 11 months	Death in facility 8-28 days	Delivery by Caesarean section	Delivery in facility - total	Inpatient discharge under 5 years	Inpatient transfer out under 5 years	Maternal death in facility	Live birth in facility	Still birth in facility	Total births
Elundini	District Hospital	Maclear Hospital	1	4	0	0	476	89	4	0	476	4	480
		Tayler Bequest Hospital (Elundini)	15	3	0	300	1 282	188	18	0	1 285	19	1 304
	Total		16	7	0	300	1 758	277	22	0	1 761	23	1 784
Senqu	District Hospital	Cloete Joubert (Barkly East) Hospital	1	2	1	4	217	223	21	0	216	5	221
		Empilisweni Hospital	10	12	2	96	1 199	263	29	2	1 219	9	1 228
		Lady Grey Hospital	1	0	0	0	178	99	8	0	173	6	179
		Umlamli Hospital	2	0	0	0	141	29	2	0	138	3	141
	Total		14	14	3	100	1 735	614	60	2	1 746	23	1 769
Walter Sisulu	District Hospital	Aliwal North Hospital	10	4	3	117	722	195	12	1	717	8	725
		Burgersdorp Hospital	2	3	1	72	351	198	6	0	345	9	354
		Jamestown Hospital	1	0	0	0	54	1	0	0	52	2	54
		St Francis Hospital	0	0	0	0	0	0	0	0	0	0	0
		Steynsburg Hospital	0	1	0	0	134	48	6	0	137	0	137
	Total		13	8	4	189	1 261	442	24	1	1 251	19	1 270
Joe Gqabi			43	29	7	589	4 754	1 333	106	3	4 758	65	4 823

Target group: Maternal, Perinatal, Neonatal and U5 Child (Post-neonatal) (repeat the table for each target group to prepare 4 tables for the hospital with the highest number of deaths)

3.29.10. Quality of Service Delivery Platform

		Country	Province	District
		ZA	EC	DC14
		South Africa	Eastern Cape	Joe Gqabi DM
Percentage Ideal clinics (%)	2018/19	55.4	32.4	46.2

Source: Ideal Clinic database

3.29.11. Top 5 worst performing VITAL ideal clinic elements in PHC facilities

	Joe Gqabi DM	Elundini LM	Senqu LM	Walter Sisulu LM
Emergency trolley is restored daily or after each use	48	57	40	45
Resuscitation room is equipped with functional, basic resuscitation equipment	52	62	55	27
90% of the medicines on the tracer medicine list are available	79	76	70	100
The temperature of the medicine room/dispensary is maintained within the safety range	87	76	95	91
Oxygen cylinder with pressure gauge is available in resuscitation/emergency room	92	100	85	91

Source: Ideal Clinic database

3.29.12. Top 10 worst performing ideal clinic elements in PHC

	Joe Gqabi DM	Elundini LM	Senqu LM	Walter Sisulu LM
Staff appointed is inline with WISN	0	0	0	0
Disinfectant, cleaning materials and equipment are available	2	5	0	0
Facility has a dedicated budget	6	10	5	0
There is a functional clinic committee	8	0	15	9
There is an official memorandum of understanding between the PDOH and SAPS	8	10	5	9
There is an official memorandum of understanding between the PDOH and the Department of Social Development	8	10	0	18
There is an official memorandum of understanding between the PDOH and Department of Education	10	5	10	18
There is a standard security guard room OR the facility has an alarm system linked to armed response	12	5	10	27
Quality Improvements plans are signed off by the facility manager and updated quarterly	13	0	30	9
Building(s) complies with safety regulations	13	0	30	9

Source: Ideal Clinic database

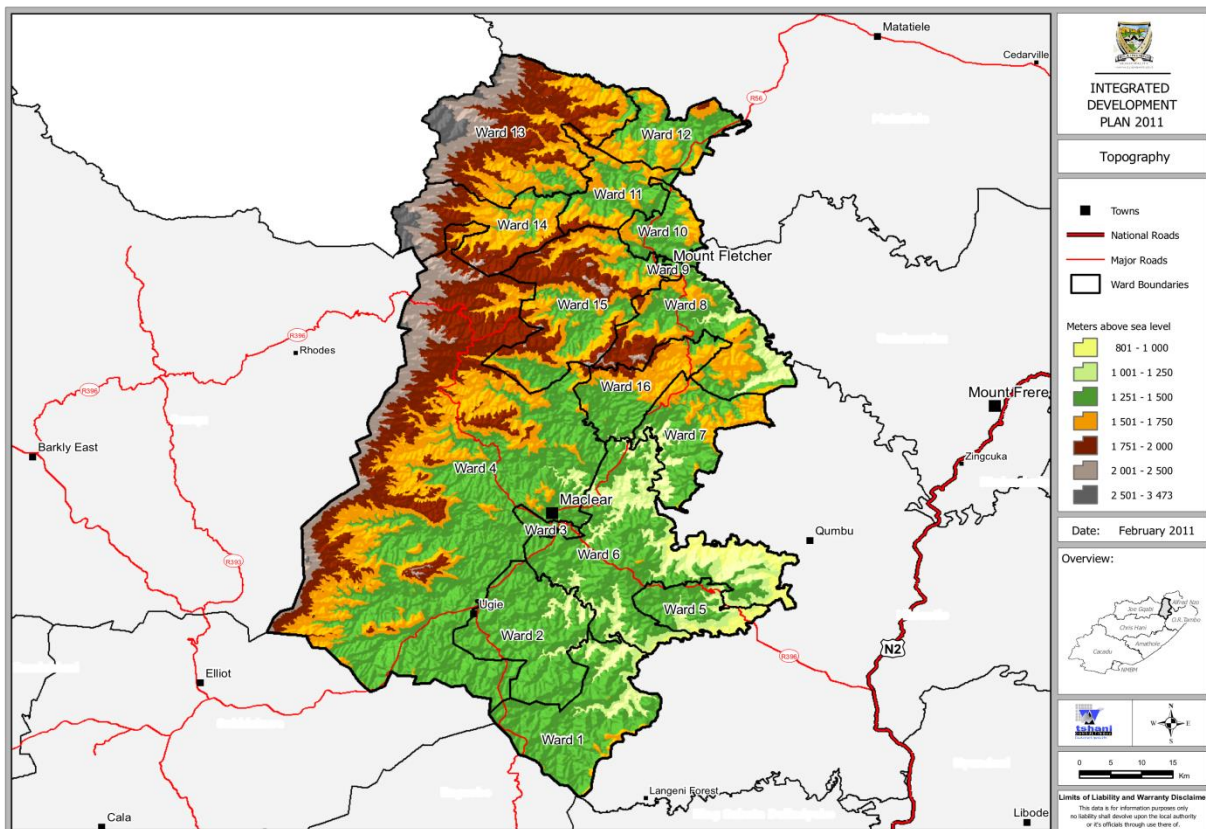
3.29.13. Emergency Medical Services (EMS) and Patient Transport (PTV)

Area	Ambulance station	Total Number of ambulances	Number of operational ambulances	Number of ambulance not operational	Number of PTVs	Number of rescue vehicles
Elundini	2	14	10	3	5	1
Senqu	3	15	8	7	6 (1 bus is faulty)	1
Walter Sisulu	5	15	10	5	9	2

3.30. Natural Environment

3.30.1. Topography and Hydrology

The municipal area has a distinctive topographical character with mountain ranges along the western side overlooking a central plateau, giving way to an escarpment sloping down towards the eastern side and the lower reaches of the Tsolo and Mthatha regions. Much of Elundini has slopes steeper than 1:8 as it forms part of the southern Drakensberg range. This area located along the north and western side of the municipality, due to its high altitude, is unsuitable for arable farming. The mountainous terrain also limits accessibility and therefore hampers service and infrastructure delivery in the region. The Southern Drakensberg creates a scenic environment conducive to adventure and eco- tourism activities such as mountain biking, hiking, skiing etc. The mountains form a watershed which separates the eastern and western parts of the Joe Gqabi District.



very suitable for agriculture and residential uses. The nature of slopes found within the municipality contributes to the high rate of erosion.

3.30.2. *Climate and Rainfall*

3.30.2.1. *Temperature*

The region is well known for its temperature fluctuations with temperatures ranging between 42°C and 11°C. On average there are 150 days of frost during the year, usually between March and November. During the winter season, areas affected mostly by snowfall are Maclear stretching to the higher lying areas of Mt Fletcher and temperatures are recorder to reach an average of -5°C.

3.30.2.2. *Rainfall*

The higher mountain peaks in Elundini have between 800mm – 1200mm rain per annum. Mount Fletcher which is within the municipality falls within the wettest rainfall region. The rest of the area receives an average of 600-800mm per annum.

3.30.2.3. *Predominant wind*

The area is vulnerable to strong winds which are coming from a westerly direction. They are mostly travelling at an average speed of 60 km/h and are very damaging to property and the environment. Coupled to damaging winds, is an observed increase of thunderstorms, lightning and hailstorms. Winds which are associated with light rain are coming from the easterly direction.

3.30.2.4. *Climate change*

Climate change is affecting Elundini as the drier climate in the west moves towards the central portions of the province, wetter, higher rainfall and more frequent storms affect the eastern regions. The mountainous character of the region also has a bearing on the effects of climate change over time. The drier regions will experience loss of biomes and find water resources under increased pressure over time.

The eastern regions are expected to experience increased rainfall. This is already being seen Elundini in the form of increased storm activity resulting in disasters affecting settlements, roads and bridges, buildings, crops and livelihoods. Flooding, high winds and hailstorms are increasing in severity. Higher rainfall is also affecting the incidence of pests in the agricultural sector.

Higher temperatures as a result of global warming could affect the growing characteristics of trees to the extent that certain species may no longer be viable for the forest industry in the area. If this occurs, there may be impact on the forestry sector and the municipal economy.

3.30.3. *Hydrology*

ELM is dissected by rivers like Tsitsa, Thina, Luzi. Within the municipality there are boreholes as well as springs. River sources within the municipality drain its water from Umzimvubu catchment area. Rivers flow eastwards draining towards the Indian Ocean. Water studies conducted for the district indicate that ELM. Elundini has very high groundwater development potential. Mooi River, Inxu River (Wildebeesrivier) and the Pot River are the main tributaries of Tsitsa River. The Maclear Dam on the Inxu River supplies water to Maclear town and the Ugie Dam on the Mooi supplies water to Ugie town. This municipality forms the catchment for the Umzimvubu River, which bisects the region and supplies large volumes of water down to the Indian Ocean.

3.30.3.1. *Tsitsa River Basin Land Use and Environmental Management Plan*

The Tsitsa River Basin Land Use and Environmental Management Plan were commissioned by ASGI-SA Eastern Cape, Elundini and Mhlontlo Municipalities to investigate possible development opportunities in the Tsitsa River basin area. The study was in response to a need for commercial land use developments in the catchment area that could assist in alleviating poverty in communal areas. The first phase of the study was to undertake a Situation Assessment of the whole catchment that could be used to inform the planning process.

As part of this situation assessment, a number of potential land use development options suitable to the area were identified. The completion of the Situation Analysis was then followed by a more detailed land use planning process for a part of the Tsitsa River Catchment referred to as the focus area. This area was located in the middle of the catchment in the poverty stricken communal areas along the banks of the Tsitsa River and included 15 specific villages and eight Administrative Areas. A Land Use Planning Report was the final outcome of the study.

The study analyzed the status quo within administrative areas within Mhlontlo and Elundini that fell within the focus area. In Elundini these included Mqokolweni, Qurana and Sinxako all falling within Ward 6. The study considered the impact of the development of a dam, which would inundate 2,293ha of land with water. Mqokolweni and Sinxako are both areas that would lose land if a dam was constructed. The study looked at the

possibility of interventions in these areas and the priority assigned to them by community representatives, these interventions included Forestry development.

3.30.4. *Geology and Soils*

ELM is the only area with soils suitable for cultivation in the JGDM, however, degradation is high in the communal land areas of Elundini with the primary cause found to be the overstocking of livestock and inappropriate grazing methods. The provision of infrastructure to enable the practice of controlled grazing is necessary to prioritize the rehabilitation of severely degraded areas.

3.30.4.1. *Erosion*

Degradation is high in the communal land areas of Elundini, with the primary cause found to be the overstocking of livestock and inappropriate grazing methods. The Department of Agriculture estimates that between 300 and 400 tons per hectare of soil are lost annually in the District, ELM being the highest eroded region. In addition to the provision of infrastructure to enable the practice of controlled grazing, the EMP recommends it is necessary to prioritize the rehabilitation of severely degraded areas. The district municipality has various land rehabilitation programs that it implements in the municipality to address land degradation

3.30.5. *Biodiversity*

3.30.5.1. *Vegetation and land cover*

Vegetation types represent an integration of the climate, soils and biological factors in a region and as such are a useful basis for land use and conservation planning. Unimproved Grassland dominates the Municipality, covering 56.40% of the total surface area. This is followed by Degraded Unimproved Grassland (22.70%) and Semi- Commercial or Subsistence Dryland Cultivation (10.56%). The State of the Eastern Cape Province Report (2010) highlights the serious impact of settlement sprawl that is taking place throughout most rural areas, with an increase of 47% in the cover of built up areas compared to the year 2000. Coupled with this sprawl of settlements, is the depletion of resource areas by an estimated 33% and this is expected to have a serious effect on future sustainability of rural communities.

3.30.5.2. *Critical bio-diversity areas*

The Eastern Cape Bio-diversity Plan has analyzed the characteristics of the various environmental attributes throughout all municipalities. The critical bio-diversity areas in Elundini have been identified (refer to map below) and these need to be conserved for the benefit of future generations and preservation of the ecological balance in the area. These are primarily associated with the environmental sensitivity of the mountain range

and foothills near Maclear and Ugie. It is of paramount importance that the critical biodiversity areas be reflected in the Spatial Development framework for Elundini so as to ensure effective land use management is achieved in future, in accordance with the requirements of the National Environment Management Act and the Provincial Spatial Development Plan.

3.30.5.3. *Biodiversity conservation*

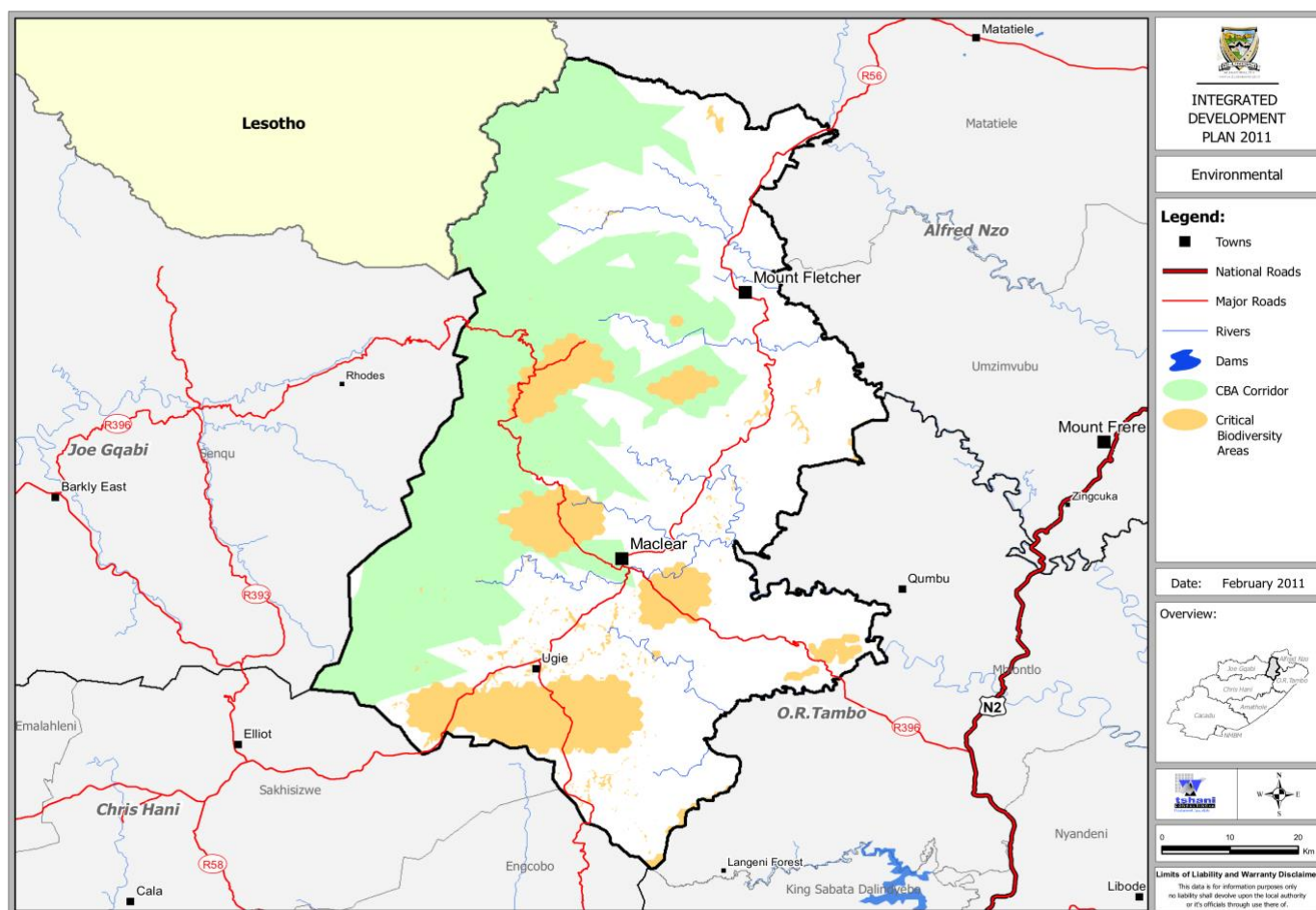
According to the EMP, mountain areas contain a high number of endemic species, and have been identified as being important for the protection of biodiversity and ecosystem services. Grasslands dominate the district, but in general they have been severely degraded and transformed areas dominate much of the landscape, as revealed by the Eastern Cape Biodiversity Conservation Plan (ECBCP).

An opportunity therefore exists to formally protect the remaining intact grasslands, especially those classified as vulnerable and endangered, to ensure the important ecological functions they play in this area are preserved, and to build on the attractive and ecologically important landscape for tourism. One of the most important ecological ecosystem services provided by the district is the provision of good quality water, and the large numbers of wetlands found in the upper elevations within a range of vegetation types are critically important in this regard. The EMP suggests there is an opportunity to apply Payment for Ecosystem Principles for water resource protection therefore exists to ensure the protection of vegetation types dominated by wetlands.

3.30.5.4. *Threats to biodiversity*

The EMP states the unsuitable agricultural practices such as increasing irrigation in areas of poor soils and cash crop cultivation in marginal areas, is another threat to biodiversity in the Elundini area. The continuation of degradation of the District's land cover increases erosion. This is especially evident in Senqu and Elundini, but also prevalent in Gariep and Maletswai (now Walter Sisulu) where there is an increase of the Karoo scrubland. Unsustainable agricultural practices such as increasing irrigation in area of poor soils also contribute to erosion and undermine cash crop cultivation in marginal areas. Very little is being invested into land-care in proportion to the amount of degraded land. Ongoing urbanization and the growth of informal settlements around urban centers is increasing pressure on the environment and stretching infrastructure beyond capacity limits. The municipal area has no dedicated persons looking at environmental issues. Fire, especially in the grassland areas to the east of the District is another factor affecting the environment. Illegal sand mining threatens the aquatic and terrestrial biodiversity.

MAP SHOWING CRITICAL BIO-DIVERSITY AREAS (SOURCE: ECPSDP 2010)



3.31. Waste Management

The Solid Waste Management Section located in the Community Services Department is charged with the responsibility of rendering all Solid Waste Management activities, environmental plans and programs. The Section is responsible for refuse collection, street cleaning, and waste information or waste data management, recycling, awareness and landfill site management. The Municipality adopted its IWMP which was sent to MEC for DEDEAT for endorsement and was duly endorsed. The Municipality has also been screened by DEDEAT as part of their process of updating the Provincial IWMP with specific focus to Joe Gqabi District Municipal Area.

The department has introduced a plan to implement the polluter pay principle through the revision of refuse tariffs to ensure sustainability of the service and minimal cost recovery. In this regard the tariff policy has been reviewed to incorporate cost elements for services that the municipality render for the public good.

Refuse Removal / Waste Collection

The refuse removal service only focuses in the CBD and peri-urban areas of Elundini Municipality. ELM provides a weekly waste collection service to all the households and daily service to businesses in Maclear, Ugie and Mt. Fletcher. In residential areas, household waste is placed on the kerb outside the house and collected from there by municipality. This domestic waste should be contained in refuse bags which are tied or knotted. ELM provides daily refuse collection services in town focusing on Businesses and Government Institutions.

Street Cleaning / Cleansing

Street cleaning is conducted daily with the main focus being in the CBD and adjoining streets. Clearing of Illegal Dump Sites and Township Street Cleaning is done through a combination of departmental staff and EPWP workers allocated to the department. The Good Green Deeds program of the department of Environmental Affairs recently launched is planned to second around 22 local youth who will assist the municipality in heightening awareness on issues of cleanliness and environmental education among communities. They will also largely deal with cleaning illegal dumps. There is also a skip service available and sidewalk bins placed at strategic points in Mt. Fletcher, Ugie and Maclear town to ensure that Businesses and people have access to them and ultimately reduce levels of littering. The number of street litter bins is planned to be increased in the 2019/20 financial year to ensure adequate litter control.

Waste Disposal/Landfill Site

ELM has three permitted waste sites namely: Maclear transfer, Ugie and Mt. Fletcher landfill sites. The three sites came into operation in 2004. The Elundini municipality entered into PPP agreement with Interwaste (PTY) Ltd. Interwaste started operating and managing the sites on the 1 July 2014. The main responsibility of Interwaste is the operation and management of Ugie, Mt Fletcher and Maclear Landfill Sites and to ensure that the permit conditions of the waste facilities are adhered to. The Maclear landfill site is utilised as a transfer station, while Ugie and Mt. Fletcher are being utilised as disposal sites.

Other responsibilities for Interwaste in the operation and management landfill sites, is to provide monthly reports on waste volumes and also ensure that the sites are operated in accordance with the permit conditions. The Municipality regularly visits the sites to ensure compliance with the Permit Conditions of the Sites and with the terms of the Contracts with Interwaste. In addition to this monitoring regime the district Environmental

Health Practitioners visit the sites on a monthly basis to check on compliance with the Department of Environmental Affairs conducting random inspections. The Public Private Partnership agreement is due to be reviewed in 2019 to appraise the contractor's performance as well as to make any other necessary adjustments aimed at ensuring improvement in performance.

Recycling

ELM is working closely with Elundini Cooperative Development Centre to ensure that Cooperatives in the Recycling Sector are organised and assisted. This platform created an opportunity for the Municipality to consolidate the different requests that are submitted by Cooperatives and will ensure that everyone benefits from any assistance that is offered by the Municipality. There are currently six recycling cooperatives which are formally registered and plying their trade albeit on a smaller scale. ELM also has a Material Recovery Facility located at the Ugie Landfill Site. Currently the MRF is not in a suitable condition to be accepted by the Municipality and operated accordingly. The Municipality will make efforts to rectify the structure and be able to offer recyclers an opportunity to be involved in the sector. Ongoing discussions between the municipality and the implementing agents of the MRF project have yielded positive results. Accordingly the MRF is undergoing repairs towards finalisation to enable planned operations.

ELM aims to promote waste minimization and recycling in the three towns and to create employment opportunities through that MRF. The MRF will contribute towards local economic development and increase the lifespan of landfill site. Currently the MRF is due to be repaired through internal funding mechanisms to pave way for its use and operation by local recycling cooperatives.

Education and Awareness

ELM has initiated programs to increase awareness concerning waste management and particularly to promote a cleaner environment to live in, in and around urban areas. Efforts to strengthen this program has been made possible by the creation of the position of Environmental Awareness and Education Practitioner who among others is also responsible for championing waste minimisation activities. The main purpose of the programs is to raise awareness and educate Elundini Municipality residents/community about issues related to cleanliness, waste, environmental management and sustainable development. The waste management awareness focuses on the anti-littering programs for the public/clean up campaigns. The Municipality intended to hold a minimum of two Campaigns per year in order to influence community mind set on waste and environmental management

matters. Clean-up Campaigns and Awareness Campaigns have been conducted in all three towns. The position of an education and awareness officer has recently been approved and awaiting filling. ELM is an active participant of the Climate Change, Waste and Environment SALGA Forum, DEDEAT Waste Management Forum and the Joe Gqabi District Environmental Management Forum.

(a) The achievements in the waste management program

- Collection Services to more than 7336 households and 222 Businesses
- Daily Street Cleaning and Skip Bin Removal Services for Businesses
- Purchase of 2 new 4 Ton Truck for servicing Ugie and Mt Fletcher
- Use of a vehicle tracking system to monitor fleet movements
- Purchase of 6 additional Skip Bins for Ugie and Maclear and refurbishment of about 8 bins in Mt Fletcher
- Provision of additional Skip Bins for Mt Fletcher
- Strictly monitoring the implementation and performance of Interwaste on poor performance in terms of the PPP Agreement through various monitoring and inspections
- The employment and secondment of one local young person under the Good Green Deeds program of DEA

(b) Challenges

- Inability to extend basic waste/lack of refuse removal services in rural areas
- Shortages of personnel for effective Management of Solid Waste
- Poor Condition of the Ugie MRF
- Poor road conditions for accessing landfill sites and some townships
- Landfill airspace running out
- Lack of sector plans such as the Air Quality Management Plan and the Environmental Management Plans

Available Fleet – Refuse Removal Vehicles

MACLEAR	UGIE	MT FLETCHER
Supervisor vehicles X 2	Supervisor vehicles X	Supervisor vehicle X 2
1 x REL Compactor Truck 1 x 4 Ton truck 2 x Tractor and trailers	2 x Tractor and Trailers 1 x 4 Ton Truck	1 x Tractor and Trailer 1 x Tractor and Skip Loader 1 x 4 Ton truck

3.32. Free Basic Services

The function dealing with the free basic services is performed within the Income and Expenditure section in the Budget and Treasury Office and is filled. The ELM has adopted its Indigent Support Policy which it reviews annually as part of the IDP and Budget review process which makes it accurate and credible. The basic principles of this policy are captured by indicating that the policy is to ensure that poor households are not denied their constitutional right of access to services, the Elundini LM is required to implement an indigent support policy that makes adequate financial provision to ensure the provision of efficient and sustainable services to all residents within the area of jurisdiction. The indigent policy is intended to provide poor households on-going access to a specified level of service. The subsidies contained in the policy should not compromise the quality or efficiency of service delivery. The municipality currently provides free basic refuse removal service to poor households.

3.33. By-Laws and Enforcement (Promulgation of By-laws)

ELM has recently revised and adopted its waste by-laws in order to comply with the NEMWA Act, 2008. Due to lack of adequate capacity to enforce the by-laws, there are numerous sporadic cases of illegal dumping and littering by both residents and commercial businesses. Even though these are usually identified and cleared on a monthly basis they soon reoccur due to lack of enforcement. Council also passed a specific resolution for the imposition of a R4500 fine to those found to have illegally dumped waste upon investigation. At times community members with full knowledge and access to regular collection service still dump their waste indiscriminately. Other relevant municipal bylaws being enforced include the street bylaws, informal trading, nuisance, impoundment of stray animals bylaw, cemetery and road traffic bylaws to name but a few. ELM has also introduced regular programs aimed at raising awareness among communities against illegal dumping and other activities likely to damage the environment. To date the municipality has initiated a monthly program aimed at clearing identified illegal dumps as part of its budgeted operations.

Over and above this the municipality developed a fine schedule to enable immediate enforcement of bylaws through imposition of spot fines. Both Maclear and Mt Fletcher Magistrates courts have been furnished with the fine schedule for their approval and signatures.

3.34. Air and Noise Pollution

ELM does not have an Air Quality Management Plan and Air Pollution By-laws in place and will have to consider developing these as part of its compliance to Air Quality Act, 2004 (NAMAQA). As a member of the relevant air quality forum which sits on a quarterly basis ELM understand the need to monitor and manage air pollution sources in the area given various natural and manmade sources and P.G Bison industrial operations which is a major source of air pollution in the area. Other sources of air pollution such as manmade agricultural activities, burning of fossil fuels, vehicular traffic and natural sources as wind will receive corresponding priority. This plan will also ensure that air and noise pollution, especially in urban areas are effectively monitored and by-laws are enforced. Plans are at an advanced to designate one of the employees as an air pollution control officer. Currently the forms of pollution are dealt with through existing framework of legislation such as the approved Integrated Waste Management Plan (IWMP), waste and nuisance bylaws. Currently pollution control is achieved through various municipal bylaws such as nuisance bylaw and fire brigade bylaws. The waste disposal site bylaws also disallow any form of burning within areas demarcated as landfill sites.

3.35. Sewage Spillages

Sewerage spillages (water and land pollution) are also monitored. These are the most frequent type of environmental pollution. Unfortunately, their frequency is very high especially in the central business district of Maclear town due to lack of bulk services capacity, poor management and insufficient funding for maintenance. The water services authority, Joe Gqabi district, has offices stationed in Maclear in order to facilitate easy and quick response in the event of any such spillages, leakages and other water nuisances occasioned by burst water pipes.

3.36. Environmental Opportunities

The ELM does not have its own Environmental Management Plan and will consider developing it and is currently using the one developed by the district municipality. Some areas of the District area are endowed with scenic beauty that has significant potential for agriculture and tourism sectors. In addition, a number of endemic species contributes to the potential of the District. In addition, climatic, soil and topographic aspects show that Elundini has an environment more suited to a variety of agricultural activities. The recently adopted Spatial Development Plan and SPLUMA are implemented in a manner that ensures checks and balances are in place to ensure that any development takes cognisance of the environment and its sensitivity.

Even though this plan is not in existence, our realization is such that it will be prioritized within the short budgeting period.

3.37. Southern Drakensberg Sustainable Development and Conservation Strategy

The Southern Drakensberg Sustainable Development and Conservation Strategy, developed for the Elundini and Senqu Local Municipalities, has the following vision: “Improving the quality of life for all by facilitating sustainable economic opportunities in balance with the environment”. This long-term developmental vision contains the following key principles:

- ✓ Improving quality of life
- ✓ Facilitating local economic development
- ✓ Sustainability
- ✓ Creating opportunities
- ✓ In balance with the environment

These principles enforce the strategy’s primary objective which is to investigate the opportunity to unlock the economic potential of the region in a sustainable manner. It aims to strengthen the environmental sustainability of the IDPs and SDFs and address key structural and systems issues that are inhibiting the economic potential of the area.

The overarching goal of this strategy is to improve the quality of life of individuals in the eastern portion of the JGDM. These goals are influenced by the principles of sustainable development with the strategy using the moderate to strong definition of sustainable development which entails the improvement of human and social capital without the loss of natural capital. Through this sustainability process the strategy aims to conserve all forms of capital in the area i.e. Natural, Human, Social, Financial, and Manufactured capital.

To achieve these goals the Southern Drakensberg Sustainable Development and Conservation Strategy identified five strategic pillars. These pillars are:

- ✓ Sector Development
- ✓ Environmental Management
- ✓ Investment in Infrastructure
- ✓ Creation of Strategic Partnerships and Institutional development
- ✓ Human Resource Development

3.37.1. Waste Collection Services: Refuse Removal

SOURCE	JGDM	ELM	%
Removed by local authority/private company/community members at least once a week	117 381	28 395	19, 59%
Removed by local authority/private company/community members less often than once a week	5 696	308	0, 21%
Communal refuse dump	6 160	2 047	1, 41%
Communal container/central collection point	1 329	108	0, 08%
Own refuse dump	220 293	96 419	66, 53%
Dump or leave rubbish anywhere (no rubbish disposal)	17 120	13 074	9, 02%
Other	4 933	4 579	3, 16%
	372 912	144 930	100%

Source: CS 2016

Elundini LM has addressed the issue of unlicensed landfill sites since 2007 when the first LED Strategy was compiled. There are capacity issues with the expansion of the existing waste site in Ugie, however a program for recycling has been put in place and it is hoped that this will reduce the volume of waste entering the site. The recycling program is to be a Public Private Partnership (PPP). Landfill sites abound in the rural areas where refuse is not collected.

3.38. District Disaster Management Plan

The disaster risk assessment was conducted by the district in 2008, the district is in the process of developing disaster management plan. The District has formulated a Disaster Management Framework, a generic Disaster Management Framework and a Corporate Disaster Management Plan. These plans are used by the District to exercise its powers and conduct its duties in disaster management. The District Disaster Management Centre is developing a Scientific Based and Proven District Disaster Management Plan. This quantifies various risks, and provides strategies on how to identify and classify risks, ensures proper prevention, mitigation and response mechanisms, which are to be managed by all stakeholders.

The current institutional arrangement regarding fire and disaster management is not adequate for the purposes of discharging the municipality's mandate towards its citizens. At the helm of providing response to the various incidents and disasters only two Fire and Disaster Management officers have been employed. These efforts are

assisted by participation and affiliation to the local Fire Protection Agency under the auspices of PG Bison and the local farming community. Various efforts have been made to conclude a Service Level Agreement with the Joe Gqabi district municipality for the release of a Hino fire engine truck aimed at improving ELM's capacity to render a comprehensive fire response. Up till now the municipality relies on a skid vehicle, being a small bakkie carrying a mini water tank.

ELM does not have its own approved Disaster Management Plan but fully recognizes the value and importance associated with having one. While continuing to use the district wide Disaster plan, plans are at an advance stage to free resources in order to develop one. The ability of the municipality to maintain its operations and service delivery following major incidents and or natural disasters is highly dependent on its disaster preparedness. The municipality is planning a review of its organogram to accommodate the planned shared fire services model in partnership with Joe Gqabi District municipality and Working on Fire.

Electing to participate in the shared model will yield various benefits to the municipality which include a complete revamp of existing fire hydrants, erection of fully equipped fire stations/disaster centers, secondment of staff from Working on Fire as well as provision of state of the art fire fighting engines and equipment. The premium that the municipality will have to pay for all this would be considerably far less in comparison with what costs it would incur were it to provide these itself. Section 78 study reports have already been tabled before the Local Labour Forum (LLF) to pave way for a Council resolution in support of the shared service model.

3.39. Spatial Planning

In terms of Section 35 (2) of the Municipal Systems Act, the Spatial Development Framework for ELM has statutory status and overrides any other plan for the area or portions of the municipality that may have been compiled previously and which is described in the Physical Planning Act (Act No. 125 of 1991). Such plans would include regional development plans, regional structure plans and more localized plans such as Urban Structure Plans. As such, the Elundini Spatial Development Framework becomes the principle instrument for forward planning and decision-making on land development in the Elundini Municipal area.

The municipality has as from May 2018 appointed Umhlaba Consulting to review and update its SDF to be in line with SPLUMA and other applicable regulations. The reviewed SDF has since been approved by the council in December 2018 with Council Resolution No. CON/297/18. The municipality has also developed its Land Use Scheme which is submitted for the approved by the Council in June 2019.

(i) By- Laws

Of the five standard by-laws received from the Department of Rural Development and Land Reform (model planning and land use by-laws; model framework for delegations; model of tariffs; transitional provision and supporting document); the institution has customised and adopted the land use by-law; merges the model tariff structure with the institutions tariff structure and is in the process of customizing the delegations framework to fit that of the institution.

(ii) The establishment of Municipal Tribunal

The ELM Council has resolved that the municipality will form part of the District Tribunal with Joe Gqabi and the other local municipalities under this district and the JGDM will be a stakeholder as the WSA. The municipality has thus signed the service level agreement into this effect. The different stakeholders have identified the expertise which will be required to sit in the District Tribunal and Joe Gqabi is in the process to procure relevant expertise to serve on the tribunal. The tribunal will now start to operate from July 2019

Work in the planning stages for SPLUMA implementation

SPLUMA also requires that each institution compile a wall to wall Spatial Development Framework (SDF) and Land Use Scheme (LUS) in order to align with relevant legislation. To accomplish this planning work, it is the intention of the Town Planning Unit to first compile Ward Based Plans and then the SDF and LUS. The above must be accomplished during the 5 year transition phase on the implementation of SPLUMA.

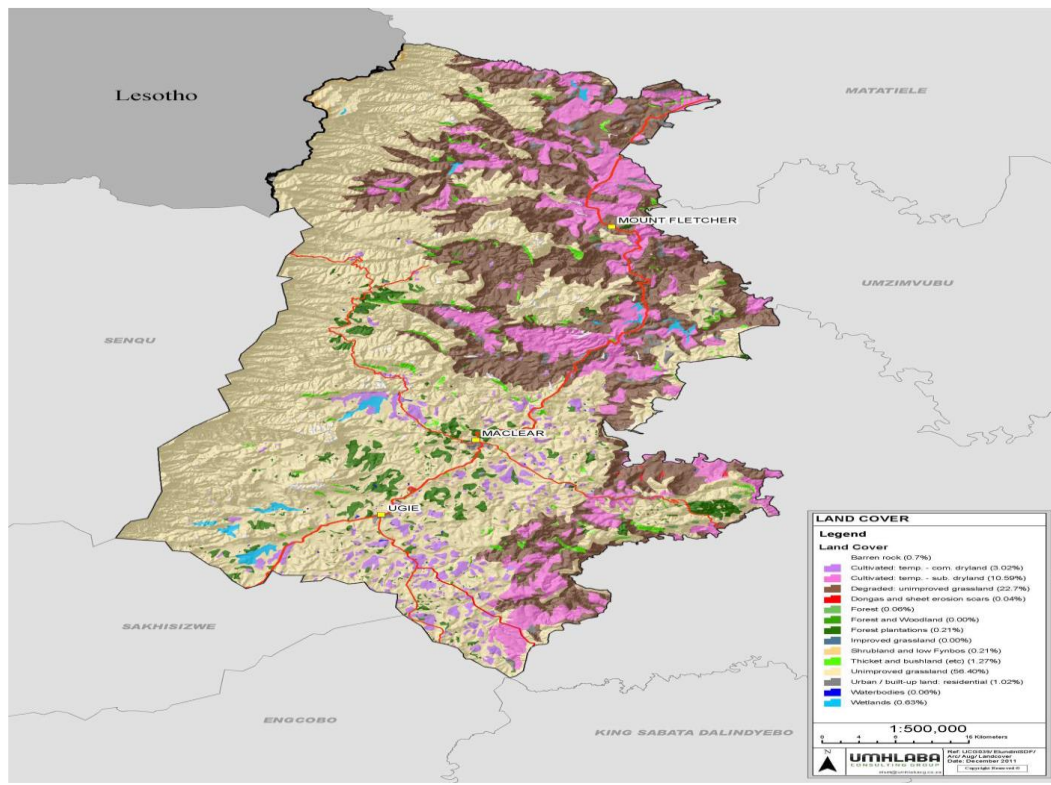
The ELM has embarked in developing the inner-city /town precinct plans for its three town so as to:

- To create efficient and productive cities/ towns with less poverty and sustained by dynamic Economies
- To reduce existing infrastructure and service disparities
- To provide better housing and shelter and greater security of tenure for urban residents
- To encourage affordable growth of local economies
- To tackle spatial inefficiencies, especially the mismatch between where people live and work - to improve the quality of the urban environment
- To transform local authorities into effective and accountable local government institutions
- To establish safe and secure living and working environments

All the three town, Ugie, Maclear and Mount Fletcher have the drafts at this stage which will be finalised shortly. Strategic projects identified through these plans will be implemented in the next four years in alignment with the budget availability.

3.39.1. Spatial Planning Elements

3.39.1.1. Land use package



The land cover pattern is largely determined by topographical and climatic factors. However, past political engineering, current tenure arrangements and population densities have impacted on the type of land cover.

An overall view of land use (cover) in Elundini LM indicates the following:

- ✓ Unimproved grassland dominates the Municipality, covering 56.40% of the total surface area. This is followed by degraded unimproved grassland (22.70%) and semi-commercial/subsistence dry land cultivation (10.56%)
- ✓ The presence of grasslands indicates the potential for livestock and game farming in the agricultural economy of the area.

- ✓ A concern however, is the fact that some 23% of the total land area is classified as degraded/eroded. The majority of this area falls within the rural settlement areas of the former Transkei. This is indicative of:
- ✓ An imbalance between the resident population and the available land resource; and/or
- ✓ Inefficient land management practices in regard to agricultural activities. In this instance, it is likely that overstocking and overgrazing is largely responsible for the state of the land.
- ✓ The importance of agriculture in the region is highlighted by the fact that 6.3% of the land cover is forestry and commercial farming, with a further 10, 56% subsistence farming.
- ✓ Land upon which urban development and/or human settlements have been developed comprises only 1.02% of the total land area, which is indicative of a low-density settlement pattern. This emphasizes the opportunity presented now by ensuring that future development is undertaken in an environmentally friendly manner, so securing the greatest asset of the area for future generations.
- ✓ Of environmental significance is that wetlands cover 0.62% of the Municipal area.

3.39.1.2. Land Ownership

Plans illustrate the current land ownership patterns prevailing across the municipal area, as well as within the main urban settlements. The following points are noted:

- ✓ There is a lack of ownership information for the urban areas in particular the town of Mt. Fletcher.
- ✓ From the information that is available, it is evident that the majority of land ownership is private
- ✓ The distribution of land ownership indicates that any meaningful land reform program to be pursued in the Elundini LM area will be reliant on restitution and land redistribution programs.

3.39.2. Development priorities in alignment to Spatial Framework

The development priorities of the municipality focus on infrastructure and service delivery. The situational analysis revealed that there is a severe shortage of essential services and infrastructure in some areas of Elundini, especially in the former Transkei. There are also discrepancies in the service delivery between the rural and the urban areas. The spatial implications in providing these basic essential services and infrastructure are:

- ✓ To identify the areas in greatest need of basic essential services and those areas must be prioritise for level one investment.
- ✓ To provide affordable and sustainable level of housing, services and infrastructure.
- ✓ To ensure that the environmental factors and constraints are taken into account in the delivery of services.
- ✓ To ensure equitable distribution of infrastructure and services.

3.39.3. Addressing Spatial Fragmentation

- ✓ Spatially fragmented settlement patterns, often comprising of low density, sprawling settlements areas are costly and difficult to service. Therefore, it is necessary to develop a means to prioritise service delivery and attempt to encourage more efficient settlement patterns by focusing on areas of potential and/or greater accessibility.
- ✓ The urban nodes of Ugie, Maclear and Mount Fletcher play a vital role in the functioning of the Municipality. It is where the largest concentration of economic activities, resources and services are situated. In order for the effective utilization of these resources and services, it is important that the towns' forms promote efficiency. In order to achieve this, the following principles need to be adopted, the urban sprawl needs to be contained, ensuring compact urban settlements by means of urban intensification (infill projects & promotion of higher densities).
- ✓ Absorption of population growth within the existing urban edge. The benefits achieved from this relate to efficiency, cost, convenience and resource utilization. The continuity of urban development, as opposed to fragmentation, so as to functionally integrate urban areas. There must be integration of uses and activities, to maximize convenience and vitality. There must be multi-functionality and sharing of public spaces and facilities in order to make the most efficient use of public investment the integration of built and non-built environments, in order to achieve the economic, environmental and recreational interaction that potentially exists between them and to make maximum productive use of urban resources. Equitable distribution of public facilities and services throughout the Municipality. Incorporated into the principal of urban efficiency is the controlled management of urbanization. A trend of urbanization is evident in the Municipality especially in Ugie and Maclear. The pressure of urbanization is not only in the need for land for housing but also increased pressure on commonage land, cemeteries, social infrastructure e.g. sports field etc.
- ✓ Land use and development decisions must promote a harmonious relationship between the built and the natural environment while ensuring that land development is sustainable over the longer term period'. Therefore Land use planning and development in the Elundini Municipality should protect existing natural, environmental and cultural resources. It is also important that the prime agricultural land should remain in production. Environmental Management principles dictated that development must be sustainable, and not to the detriment of future development. This places great emphasis on

the linkage between sound land use management and environmental management and highlights the need to integrate the two functions in an operational manner in the land management functions of the Elundini Municipality.

3.39.4. Kei Development Corridor

The Kei Development Corridor is an initiative to promote economic development in the area surrounding the main road and rail links from East London to Mthatha. The Kei Rail Project is the “anchor” project in the Kei Development Corridor and is centered on the upgrading of the railway line between East London and Mthatha. While the focus of the project has been on improvements to the rail infrastructure, the project also aims to stimulate and sustain socio-economic growth and development within the Kei Development Corridor. The Kei Rail Project is just one of a number of identified Mega Projects in the Kei Development Corridor, other Mega Projects include Wild Coast Meander, N2 Toll Road EIA, Kei Rail Business Plan, East London Harbour, Umzimvubu Basin Water Projects, Ugie-Langeni Road, East London IDZ, MELD Corridor and Massive Food Production Program.

The Ugie-Langeni Road and The Umzimvubu Basin Scheme Mega Projects impact on ELM. The Kei Development Corridor Report highlighted the importance of The Ugie-Langeni Road with regard to providing access for timber and agricultural produce to markets and production facilities and increase freight opportunities for the Kei rail. In addition, the construction of the Ugie-Langeni road will have positive ‘spin-offs’ for the tourism industry and travel patterns by unlocking the natural resources of the Ugie and Engcobo areas.

3.40. Municipal Transformation and Organizational Development Status Quo on Human Resources Management and Development

3.40.1. Institutional Characteristics Institutional Structure

At present the Elundini Municipal Council consists of 34 Councillors and has 17 Wards, half of which are elected in terms of proportional representation and the remaining Councillors are directly elected, i.e. are Ward Councillors. The Elundini Municipality has a Collective Executive System with a Ward Participatory System. The Executive Committee is chaired by the Mayor and consists of five (5) members of the Executive Committee appointed by the Council on a proportional basis. The Mayor is also mandated with the responsibility of the IDP formulation and review processes and their tabling to the Council. The Executive Committee is the principal committee of the Council. It is the Committee which receives reports from the Standing or Portfolio Committees of Council and it must forward these reports together with its recommendations to the Council when it cannot dispose of matters in terms of its delegated authority.

The chairperson of the Municipal Council is the Speaker. The Council has defined the following roles for the Speaker (over and above the roles assigned by the Municipal Structures Act):-

- ✓ Leader of council in respect of the oversight function;
- ✓ Custodian of the interests of the members of the municipal council;
- ✓ Politically in charge of the community development workers' program; and
- ✓ Responsible for the training and development of ward committees

In terms of Section 72 – 78 of the Municipal Structures Act, the Council has established 17 ward committees which are chaired by their respective Ward Councillors. Each committee has 10 elected representatives and their term of office runs concurrently with that of the municipal council. The ward committees are consultative community structures without any formal powers accorded to them. Where a ward committee is fully functional and effective, it is able to influence the decision taken in Council. There is a cordial relationship between the communities and their ward committees and ward committee meetings are held as per their schedule and they submit reports to the municipal council for noting through the Office of the Speaker.

ELM has established seven (7) Section 79 committees (i.e Audit Committee; Municipal Public Accounts Committee; Women Caucus; Mandate Committee; Rules Committee; Members Interests and Ethics Committee and Budget Steering Committee) and five (5) Section 80 Committees (i.e Corporate Services; Financial Services; Infrastructure Planning and Development; Planning and Economic Development; Community Services and Strategic Governance Portfolio Committee) which are aligned to the administrative departments and are chaired by members of the Executive Committee. These committees sit their meetings according to the adopted municipal council calendar.

Administrative Structure

The ELM's executive management structure consists of the Municipal Manager, appointed in terms of section 54 (a) of the Local Government: Municipal Systems Act; five directors appointed by the municipal council in terms of Section 56 of the Municipal Systems Act and one non-section 56 senior manager directly accountable to the municipal manager. The ELM macro organizational structure consists of the following departments:-

Table 36: Top Management

	NAME	POSITION	DEPARTMENT
1.	Mr. Khayaletu Gashi	Municipal Manager	Office of the Municipal
2.	Mrs Nonkuselo Sokutu	Senior Manager: Strategic Support Services	Manager
2.	Mrs Ntomboxolo Eddie	Director	Planning and Economic Development
3.	Mr. Sandile Matubatuba	Director	Corporate Services
4.	Mrs Sisekho Sako	Director	Infrastructure Planning and Development
5.	Mr. Luther Kokose	Director	Community Services
6.	Mr. Jack Mdeni	CFO	Budget and Treasury Office

The municipality's main political and administrative offices are situated in Maclear with two administrative units in Mount Fletcher and Ugie headed by their respective unit heads. Only the municipal manager and directors reporting directly to the municipal manager are on a 5 year performance-based contracts and have all signed their performance agreements which are reviewable annually. All other employees are employed on permanent basis expect for the EPWP workers and interns.

3.40.2. Council Oversight Role

Part 2 of Section 99 of Elundini Local Municipality By-Laws Relating to Standing Rules and Orders gives guidance to the establishment of Section 79 Committees. This section highlights the process, the Council would need to follow towards the establishment of a Section 79 Committees and areas of consideration such as the capacity, financial implications, and qualifications of members to be considered to lead these committees. These committees are required to sit on a quarterly basis to deal with issues delegated to each committee. Elundini Local Municipality established four Section 79 Committees as contained in the By-Laws Relating to Standing Rules and Orders. These Committees are:-

3.40.2.1. Audit Committee

The current ELM Audit Committee, which is functional, was appointed in terms of Section 166 of the Municipal Finance Management Act, No 56 of 2003. The audit committee is comprised of four members, two of them had their contracts renewed effective from 1 July 2018 and will run until June 2021. The other two members were appointed on 1 October 2019 and their contract will run until 31 August 2022. The ELM Audit Committee performs its functions in terms of the adopted ELM Audit Committee Charter. The ELM Audit Committee also reviews performance information of the municipality.

3.40.2.2. Municipal Public Accounts Committee (MPAC)

In order to meaningfully play its Oversight Role, the Elundini Municipal Council has formally appointed the current Municipal Public Accounts Committee (MPAC) on 23 August 2017 which will run its term with the current term of Council. Prior to this, an Oversight Committee established in terms of Circular 32 of the MFMA was operational. The Department of Cooperative Governance and Traditional Affairs has provided guidelines on the establishment of MPACs and thus proposed terms of reference for the MPACs. The MPAC functions well. Other Section 79 Committees established by the municipality are the Rules Committee and the Members' Interest Committee.

3.14.2.3 Members Interests and Ethics Committee

A Members' Interests and Ethics Committee was established by the council as a Standing Committee in accordance with section 79 of the Structures Act read with item 14(1) of the code of conduct and subject to the provisions of this part. The committee is responsible for carrying out investigations, submitting findings and making appropriate recommendations to the council pertaining to the alleged contravention by a councillor of

the code of conduct; developing standards of ethical conduct for members, monitoring and overseeing all processes relating to the declaration of interests of councillors in terms of the code of conduct including the establishment of any registers which may be required in this regard;

3.14.2.4 *Rules Committee*

The Rules Committee is established by the council in terms of section 79 of the Structures Act and By-Laws Relating to Standing Rules and Orders; and Policy on Roles and Responsibilities. The Rules Committee is responsible for the development, formulation and adoption of policy concerning the exclusive business of the Council including its proceedings, procedures, rules, orders. It is also responsible for monitoring and overseeing the implementation of policy; make recommendations to the Council on any matter falling within the functions and powers of the Committee; appointing sub-committees to assist it with the performance of any of its functions or the exercise of any of its powers.

3.14.2.5 *Women Caucus Committee*

Women Caucus is a. Section 79 Committee established by the Council in terms of Section 79 of the Municipal Structures Act. The principal function of Women Caucus is to perform a monitoring function on behalf of the council and shall advise the council, the political office bearers, the accounting officer and the management staff of the municipality on matters relating to women empowerment programs; gender; employment Equity planning and implementation; organization of awareness campaigns against harmful cultural practices; Promotion, protection and defending principles of human rights; especially those of young girls, young boys, children and mothers, gender parity, democracy and peace; enhancement of the participation of women in the political, economic and social life at a local level;

3.14.2.6 *Mandate Committee*

Mandate Committee was established as a Section 79 Committee during 2018/2019 financial year to fulfil the obligation of cooperative governance that municipalities have in terms of Section 3(1) of the Local Government: Municipal Systems Act, 2000. This Committee was established to mandate Council members who sit in the District Council on service delivery issues that require District Council attention and report back to the Committee the District outcomes/resolutions on those matters. The responsibility of this committee is to consider service delivery issues and reports from all municipal departments on issues that need district attention; consider reports from Councillors deployed to the district to represent the municipality.

3.40.3. Risk Management

ELM has Risk Management Policy, Risk Management Strategy and Implementation Plan in place. ELM has reviewed its Risk Management Policy, Risk Management Strategy and Implementation Plan. ELM has also established a Risk Management Committee (RMC) constituted by municipal management and is chaired by the Municipal Manager. The RMC sits quarterly and functions within the municipality's Risk Management Charter that further provides terms of reference for the Risk Management Committee. A risk register is developed annually where the municipality classifies its risks and then develops mitigating factors to deal with the identified risks.

3.40.4. Anti-Corruption, Fraud and Complaints Management

ELM has developed a Fraud Prevention Strategy, Fraud Prevention Plan and Whistle Blowing Policy which have been reviewed together with the Risk Management Strategy. ELM also established a fraud prevention hotline managed by an independent firm of auditors, Deloitte. As part of awareness, the municipality's website, newsletter, municipal letterheads and municipal accounts bear details of the hotline prevention numbers. ELM, likewise, maintains a fully functional customer care service that receives and deals with all service delivery related complaints, including billing related queries. ELM manages all logged complaints in line with the service standards charter, which inter alia, regulates communications protocols and stringent turnaround times.

Complaints Management System

Elundini Local Municipality uses 03 systems to manage complaints. The first system is Deloitte Anonymous Hotline was established to manage fraud and corruption cases. The second system is the Presidential Hotline which is used to receive cases or complaints that were reported through this system. The last one is the IMIS Customer Care system which is used to manage walk-in/telephone/social media complaints as a practical way of improving customer and strengthening relations with local communities. These services are customer care help desks and IMIS electronic system. Help desks is established in the main office (Maclear) and two satellites office in Ugie and Mt Fletcher to feed the main office. These offices were established to:-

- Handle customers who want to report problems and complaints
- Deal with general enquiries on municipal services
- Collect and disseminate relevant information to customers.
- Help customers with various basic needs, viz. filling of forms, translating and clarifying information, etc.
- Attend to suggestion boxes every day and process the information then submit it to relevant municipal structure like Complaints Handling Committee.

The second service is e-Scripting Service. This service was initially implemented by the municipality few years ago but the license of the system expired and in the process of renewing the contract, mSCOA was introduced in municipalities by national government. The introduction of mSCOA required municipalities to put into a halt procurement of systems because it was expected that this approach would bring about system integration. The municipality had to wait for this process to unfold. In 2018/2019 IMIS was introduced as part of the institutional system with different modules relevant for the municipalities. Project Steering Committee was established and modules required were identified. Departments were consulted by the service provider to assess their needs and to make sure that each module is responsive to client requirements. Customer Care Consultants were trained on how to use the customer care service. The purpose of this system is to offer an electronic scripting customer service to:

- Dealing with complaints
- Receiving a complaints
- Redirecting complaints
- Responding to a complaint
- Record and analyse information
- Compile a report
- Update the system on progress

Petitions and complaints from communities are received by the Speaker of the council or a nominated councillors. The Troika then meets assisted by the Municipal Manager to establish an **Adhoc** committee to attend to the petition and submit a report to the Speaker. A feedback meeting is then organised with the complaining community.

3.40.5. King IV Code

ELM commits to align its policies, strategy and its operational procedures to the King IV Code. As indicated in the King IV Code, it applies to municipalities because they operate in a system of corporate governance which requires that the various spheres of government (National, Provincial and local) cooperate in exercising powers and performing their functions. In adhering aligning itself to the code, the municipality, will consider:

King IV Code's objectives which as follows:

- To promote corporate governance as integral to running an organisation and delivering governance outcomes such as Ethical Culture, Good performance, Effective Control and legitimacy;

- Broaden the acceptance of King IV Code to be acceptable and fit for implementation across the various sector and organisation types;
- Reinforce corporate governance as a holistic and interrelated set of arrangement to be understood and implemented;
- Encourage transparent and meaning reporting to stakeholder;
- Present corporate governance as a concerned with not only structure and processes but also with ethical consciousness and conduct.

The governance outcomes:

These are the benefits that the organisation could realise if the underlying principles are achieved. The governance outcomes are:

- Ethical culture
- Good performance
- Effective control
- Legitimacy

King IV principles such as following

- The governing body should lead ethically and effectively;
- Govern the ethics of the organisation in a way that supports the establishment of an ethical culture;
- Ensure that the organisation is and is seen to be a responsible corporate citizen;
- The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process;
- The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance, and its short, medium and long-term prospects;
- The governing body should serve as the focal point and custodian of the corporate governance in the organisation;
- The governing body should serve as the focal point and custodian of the corporate governance in the organisation;
- The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively;

- The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties;
- The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness;
- The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and effective exercise of authority and responsibilities;
- The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives;
- The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives;
- The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that it supports the organisation being ethical and a good corporate citizen

ELM has started to infuse the broad principles of the King IV report in its systems and processes during the 2017/2018 financial year, by undertaking an ethics management maturity assessment, through an instrument that contains indicators that are structured around the following categories:

- Leadership commitment
- Community ownership
- Governance structures
- Integrity management strategy
- Prevention:
 - ✓ Promoting a professional ethical culture
 - ✓ Policies and procedures
 - ✓ Corruption risk management
 - ✓ Pre-employment screening
 - ✓ Conflict of interest management
- Detection
- Investigations

- Resolution
- Monitoring and reporting

The draft Integrity Management Strategy has been developed following the outcomes of the Municipal Integrity Maturity Assessment.

3.40.6. Elundini Organizational Structure Overview

As part of the annual IDP & Budget review processes, the Municipality has reviewed its institutional Organogram in order to reflect whether the municipality will be able to deliver on its Constitutional mandate and as circumstances so demand. The reviewed Organizational structure is adopted with the adoption of the final IDP and Budget. The Municipal Manager and Directors directly accountable to the Municipal Manager have all been appointed and are on a 5 year performance contract besides those employees who are employed on an EPWP program. Managers that report directly to the Directors and Senior Manager annually sign their performance agreements that are aligned to the municipality's SDBIP. Below is the municipality's macro structure that was reviewed and adopted with the adoption of the IDP and Budget. The whole structure of the municipality is attached as an annexure to the document. The following are the municipal departments:

Table 37: Municipal departments and their functions

DEPARTMENT	FUNCTIONS
1. Office of the Mayor and Speaker	✓ Strategic support to both the Mayor and Speaker
2. Municipal Manager's Office	✓ Strategic Support ✓ Legal Services ✓ Internal Audit ✓ IDP, PMS, Risk Management, Monitoring & Evaluation ✓ Special Programs, including HIV & AIDS, Youth, Women and People with Disabilities ✓ Public Participation, Customer Care and Communication
3. Corporate Services	✓ Human Resources ✓ Administration and Support ✓ Information Communication Technology and Support
4. Planning and Economic Development	✓ Spatial Planning, GIS and Town Planning

ELM 2020 – 2021 DRAFT IDP

	<ul style="list-style-type: none"> ✓ Local Economic Development ✓ Property development
5. Community Services	<ul style="list-style-type: none"> ✓ Waste Management and Environment; ✓ Public Safety; ✓ Fire & Disaster Management; ✓ Law Enforcement ✓ Libraries ✓ EPWP/CWP
6. Budget and Treasury Office	<ul style="list-style-type: none"> ✓ Income and Expenditure; ✓ Budget Planning, Monitoring, Financial Statements and Report; ✓ Supply Chain Management; ✓ Asset Management
7. Infrastructure Planning and Development	<ul style="list-style-type: none"> ✓ Project Management Unit; ✓ Building and Civil Works ✓ Electricity

ELM 2020 – 2021 DRAFT IDP

Council Speaker

Aim:
Structure the Legislative and Executive functions. Presides at meetings of Council

Mayor

Functions, Powers and Responsibilities:

- In terms of Section 56 of the Municipal Systems Act;
- Chapter 7 of the MFMA;
- etc.

Executive Committee

Exercises executive powers as per the Municipal Systems Act, viz. approving of budgets; approval of the IDP; passing of By-laws; etc.

Whip – Section 79 Committees

Functions:

- Determining agendas of Council;
- Ensuring that Party Councillors have been nominated
- Providing support to the Speaker in terms of Rules, Conduct, etc.

Municipal Manager

As head of Administration, powers and functions as defined in the Municipal Systems Act and MFMA amongst others; including functions delegated by the Mayor and Council

(Filled)

Portfolio Councillors

(Section 80 Committees)

- MM Office
- Finance
- Corporate Services
- Planning & Economic Development
- Infrastructure Planning and Development &
- Community Services

Senior Manager: Strategic Support Services: Office of the Municipal Manager

1. IDP
2. Institutional PMS
3. Monitoring and Evaluation
4. Risk Management
5. Public Participation, Customer Care Services and Communication
6. Special Programmes
7. Legal and Compliance Services
8. Internal Audit Services
9. Strategy Coordination

Director: Corporate Services
(Section 56)
(Filled)

Chief Financial Officer
(Section 56)
(Filled)

P
Director: Community Services
(Section 56)
(Filled)

Director: Planning & Economic Development
(Section 56)
(Filled)

Director: Infrastructure Planning & Development
(Section 56)
(Filled)

3.40.6.1. Status on Vacancies

The Municipality's approved organizational structure consists of 343 positions in total. Only 291 positions have been filled as from 30 March 2020 and 52 positions are still vacant, making it 15.2% vacancy rate. The number of filled positions include those of six (6) Section 56 Managers, which have all been filled. All the vacant positions have been budgeted for and the delay in filling them has been the result of delays in the job evaluation process and vetting process. Below is the breakdown in the filling of posts per department:

Table 38: Status on vacancies

Department	No. of posts	No. of filled positions	Vacancies	Period vacant	Vacancy rate	Budgeted for 2020/2021
MM's Office						
Infrastructure Planning & Development						
Budget and Treasury						
Community Services						
Corporate Services						
Spatial Planning and Economic Development						
TOTAL						

3.40.6.2. Records Management

ELM has a functional Records Management Unit located within the Corporate Services Department. The File Plan of the municipality has standards of record-keeping which are followed accordingly. The ELM's file plan has goals which are not limited to the following that are followed in the Registry office:

- ✓ To provide a systematic framework for the classification of all records in their active, semi-active and inactive stages;
- ✓ To assist registry staff in the orderly filling and retrieval of records;
- ✓ To ensure that records are retained and destroyed or preserved in accordance with legal and fiscal requirements, archival value and operational needs;
- ✓ To reduce the volume of records in the offices by providing guidelines on the retention and destruction of records.
- ✓ Transfer of records to the filling room.

3.40.6.3. *Employment Equity Plan*

ELM has adopted its three year employment equity plan and annually reviews it and approves the review before the start of each financial year. The reviewed equity plan shows the relationship between the current workforce profile and possible barriers in employment equity policies and procedures. Below is the gender breakdown of staff compliment of ELM per occupational level: The table below contains information on all employees, including people with disabilities:

Table 39: Employees including people with Disabilities

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Municipal Manager)	1										1
Senior management (Directors)	3				2						5
Professionally qualified and experienced specialists and mid-management	10			1	9						20
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	29	1		1	42			1			74
Semi-skilled and discretionary decision making	58				35						93
Unskilled and defined decision making	55				44	1					100
TOTAL PERMANENT	156	1		2	132	1		1			293
Temporary employees	1				3						4
GRAND TOTAL	157	1		2	135	1		1			297

In its endeavors in meeting the employment equity target and employing more females, the ELM has not achieved its objectives as evidenced by the table above. Of the total workforce, total female employees constitute a total of 137 a slight decrease of 2% from the total number of the female workforce in the last financial year and male employees constitute of 160 male workforce and a slight increase of 3% from the total male workforce t had in the last financial year.

3.40.6.4. *Human Resources/ Skills Development*

ELM annually develops its Workplace Skills Plan (WSP), linked to its Human Resources Development Plan, which sets out the training needs and plans for the financial year for both councilors and staff. Such plan is then submitted to the Employment Equity and Training Steering Committee for consultation and then to Council for

approval. The Workplace Skills Plan (WSP) is also submitted to the LGSETA. The municipality also developed skills audit and competency profiling report to guide development of WSP for the coming years.

ELM will during the financial year 2020/21 develop competency requirements analysis and alignment of the skills needs of the employees. ELM is also capacitating the employees through bursaries and Councillors through long term programmes e.g. Local Government Law and Administration, Public Administration, etc. There are also lots of Learnerships for the ELM unemployed youth e.g. New Venture Creation Learnerships, Technical Support Learnership, Systems Support; Building & Civil Construction . Internships and Experiential Trainings is also offered to unemployed graduates in order for them to get work experience, skills and knowledge.

3.40.6.5. *Job Evaluation*

ELM reviews its organizational structure annually as part of the IDP review process. Job profiling and job description process is conducted for all new positions and those that have been affected by the review process. Review of job descriptions for existing positions that are affected by the review of the organogram is also conducted. Job descriptions for all new positions and affected positions are subjected to a job evaluation process which is conducted through District Job Evaluation Committee and audited by the Provincial Audit Committee. ELM uses the Task system to evaluate positions as adopted SALGA.

3.40.6.6. *Occupational Health And Safety*

ELM is currently in the process of developing Occupational Health and Safety Management System that is intended to improve ELM's performance standards in terms of Health and Safety. The development of the system will be in line with ELM operations and activities and constantly reviewed to cater for any changes for improvement. ELM also has an Occupational Health and Safety structure in place called ELM Health & Safety Committee which seeks to improve ELM performance in terms of health and safety. The Health & Safety Committee is comprised of various representatives from different municipal departments.

3.40.6.7. *Employee Health And Wellbeing*

ELM is currently implementing its Employee Wellness Strategy that was adopted by council. There are numerous activities that employees are embarking on which include among others counselling, referrals for counselling, sports events; FUN walks, observation of National Health Calendar which is done in conjunction with the Department of Health and this is done to encourage and foster Inter Governmental Relations. The municipality has also resolved to give those employees who participate in sports afternoon off on Wednesdays from 15:30 to go and participate in their various sporting codes.

3.40.6.8. Leave Management

The Human Resources Department has revised its policy and procedures in order to address shortcomings that have been raised by the Auditor-General and have implemented various steps aimed at improving Leave Management. An electronic system is used to record all kinds of leaves that employees have taken. The system enables the manager responsible for the leave to approve it in the system and human resource is able to assess all filed leaves in the system.

3.40.6.9. Labour Relations

There is general labour peace in the institution in so far as labour related issues are concerned. Management is trying by all means to consult with labour on all matters of concern. The employer has developed an open door approach to consult with the trade unions even outside the legitimate structure created for consultation. The council calendar also include the monthly sitting of Local Labour Forum (LLF) so as to further enhance sound labour relations and compliance with the Organizational Rights Agreement. Councillors, management and employees adhere to the Code of Conduct for both Councillors and employees.

3.40.6.10. Information Communication Technology And Support

1. Formulation of various ICT Governance Documents and Strategies

ELM operates with high integrity ICT Governance Standards to ensure compliance with regulations both local and internationally recognised standards. In this regards ELM took upon itself to ensure that it complies with aforementioned ICT Governance Standards in line with KING IV, ISO/IEC 38500, ISO 27001/2 POPI ACT and other relevant standrads and practices by reviewing and benchmarking its existing policies, procedures, frameworks and strategies annually in order to align them with current updated standards. As part of implementing IT Governance as per the KING IV and COBIT recommendations, ELM reviewed the following ICT Policies:

- ✓ Reviewed Disaster recovery plan, operationalize and update to talk to the IT setup;
- ✓ Reviewed Procedure manuals and team notes for disaster recovery;
- ✓ Supply and install Water and food prohibition signs at the main and disaster recovery site;
- ✓ Identified key documents and equipment for recovery plans and move copies to the recovery site;
- ✓ Developed IT Physical Access to Server Room Procedure;
- ✓ Reviewed IT Risk Register;
- ✓ Developed IT Risk Management Procedure;
- ✓ Developed Change Control Procedure;
- ✓ Developed Backup and Recovery Procedure;
- ✓ Developed Patch Management Procedure;

- ✓ Developed Firewall Management Procedure;
- ✓ Developed Antivirus Management Procedure.

a) Implementation of Information Security:

- ✓ Carry out IT security awareness initiatives and campaigns.
- ✓ Support day-to-day administration of various firewalls.
- ✓ Proactively assess potential items of risk and opportunities of vulnerability in the network.
- ✓ Design and implement IT Security policies and procedures for the administration of security measures over the network, operating system.
- ✓ Implement strong password controls to authenticate system access. Incorporate this aspect in the IT Security policy.
- ✓ Ensure the ELM correctly configures firewalls routers within the network environment to ensure optimal protection against unauthorised access.
- ✓ Ensure that there is anti-virus software across the organisation to protect information systems.
- ✓ Ensure there is patch management process to prevent exploitation of vulnerabilities.
- ✓ Ensures that activities within the system network, including databases are tracked by using audit trails by someone independent of administration functions.
- ✓ Ensure that system configuration detect security vulnerabilities and that incidents are monitored, reported and resolved on a regular basis.
- ✓ Carry out checks / tests for effectiveness that Firewall, Anti-Virus and Spyware solutions to ensure the ELM's email, intranet and internet are protected.
- ✓ Perform additional related responsibilities as required to ensure compliance with the Auditor General's requirements and relevant laws and regulations.

b) Development of IT Master Systems Plan:

- ✓ Interview key stakeholders.
- ✓ Conduct the Business, Information, Applications, and Technology GAP Analysis.
- ✓ Develop IT Master Systems Plan that incorporates Implementation Plan.

c) Implementation of POPI:

- ✓ Conduct POPI Readiness Assessment.
- ✓ Develop Plan of Action for POPI Compliance that includes the development of Data Protection Policy and Procedures, Data Privacy Plan.
- ✓ Conduct POPI Compliance Assessment to comprehensively evaluate how Plan of Action is implemented to comply with POPI.

d) Development and Implementation of Business Continuity (BC) and IT Disaster Recovery (DR) Plans:

- ✓ Conducted Business Impact Analysis and Risk Assessment.
- ✓ Identified the Recovery Strategies.
- ✓ Prepared Business Continuity and IT Disaster Recovery Plans.
- ✓ Educated and Trained on BC and IT DR Plans.
- ✓ Tested BC and IT DR Plans and update accordingly.

The above-mentioned activities were presented to Council for approval and adoption and are considered as official municipal guideline documents that will enhance service delivery.

2. Installation of new telephone system and cost containment strategy implementation

- ✓ ELM has previously been using a telephone system that was dependent on ordinary telephone lines. The new telephone system that has been deployed is referred to VOIP (Voice Over Internet Protocol) system. The system works over ELM's LAN (Local Area Network) instead of ordinary telephone lines. The main purpose to deploy this system within ELM's is to save costs when making calls to remote sites (Ugie and Mount Fletcher) as the system will read the sites as internal extensions instead of a foreign external phone number which bills the municipality.
- ✓ The telephone system has been deployed at the main site in Maclear and is now fully functional.
- ✓ All network cabling was renewed and new networking cables in newly developed offices and areas that were previously connecting via wireless were added. The main purpose of the renewal is to ensure full compliance of the VOIP system as it cannot work through wireless connections.
- ✓ In terms of implementing the cost containment strategy, pins with airtime limits have been allocated to users and are being monitored by the new Ipecs system which automatically cuts off the user pins should they reach their monthly allocated pins.
- ✓ In addition to the above-mentioned, the municipality has cut allocated phone call pins into half in order to implement the cost containment strategy.

3.41. External Environmental Analysis

The municipality also analyzed both its external and external environment during its strategic planning session. Below is the summary of the analysis:

Table 40: Environmental Analysis

(a) POLITICAL FACTORS

	OBSERVATIONS
	<ul style="list-style-type: none"> ✓ Perceived lack political stability in the country manifested through instability in certain structures of government such as security cluster, SOEs etc. ✓ Corruption embedded within government poses serious reputational risks for the country. ✓ Politicization of the public service resulting to a divided focus and vision of different parties and allocation of resources. ✓ Unfair allocation of resources to small municipalities. ✓ Inadequate technical expertise and resources support resulting to slow service delivery. ✓ Inability to successfully collect debt due to the municipality from other public bodies. ✓ Insufficient budget allocation for public body offices at local level resulting ✓ Poor integrated planning between the municipality and public bodies ✓ IGR platform within Joe Gqabi District is not effective resulting on missed out opportunities to address service delivery challenges. ✓ Regular elections ensure legitimacy of difference spheres of government. ✓ Active participation of traditional leadership in the council ✓ All wards have ward committees ✓ Augmented community participation through village and township based interactions ✓ Establishment of ward war rooms for improved handling of service delivery issues
Opportunities	<ul style="list-style-type: none"> ✓ Diverse political party governance at different increase competition among political parties and benefits community. ✓ Changing political landscape resulting to improvement of service for service delivery for citizens. ✓ Political stability within the Joe Gqabi resulting to citizen loyalty for the ruling party. ✓ Public body offices increase accessibility at local level. ✓ Availability of resources within public bodies which may result to partnership and maximization of resources for service delivery. ✓ Existence of IGR platforms for engagement and sharing of information ✓ Factionalism at ward level (ward councilor and ward committees) compromises service delivery

OBSERVATIONS	
Implications for the Municipality	✓ Service delivery is compromised by the threats
Preliminary options	<ul style="list-style-type: none"> ✓ Election and appointment of credible leaders who are moral, ethical, transparent and accountable ✓ Political intervention for IGR challenges need to be strengthened ✓ Develop alternatives strategies to increase revenue such as building of way-bridge. ✓ Planning processes between three spheres of government need to be re-looked at and improved for better service delivery. ✓ National government should develop clear guidelines for traditional leaders and councilors roles ✓ Introduce electronic election processes to promote social cohesion and eliminate factionalism ✓ Institutional and Social Development enhancement and integration

(b) ECONOMIC FACTORS

OBSERVATIONS	
Threats	<ul style="list-style-type: none"> ✓ Poverty intensity of the municipality increased from 41% to 44% ✓ Dependency rate on social grant is 75% ✓ Household size increased from 3,6 to 4 people ✓ High unemployment rate 44% ✓ Reduced contribution of the primary sector to the local economy (agriculture and forestry) ✓ All other sectors increased and yet the primary sector decreased ✓ Increase in informal business owned by foreign nationals who do not contribute to the fiscus by taking the money out of the local economy ✓ Low levels of skills and education increases dependency ✓ High inflation (affects purchasing power and input prices) ✓ Located inland (high cost of doing business) ✓ National treasury allocations are declining in real terms

	✓ Dual use of properties by foreign nationals (residence and business)
Opportunities	<ul style="list-style-type: none"> ✓ Tertiary sector (retail and financial services) ✓ Secondary sector (construction and manufacturing) ✓ National policies which encourage primary sector productivity (IPAP) ✓ Untapped sectors which can be tested (energy and mining and quarry) ✓ Natural resources (arable agricultural land) ✓ Property development (serves as an infrastructure for commercial enterprises) ✓ Tourism (getting into partnerships with land owners like the dinosaur footprint & Tsitsa fall, land suitable for adventure tourism)
Implications for the Municipality	<ul style="list-style-type: none"> ✓ The municipality has to serve more people with less money ✓ Social instability (protests, increase in crime, etc.) ✓ Migration of young people with skills ✓ Unattractive to investors due to the high cost of business ✓ Arable land being used for residential purposes
Preliminary options	<ul style="list-style-type: none"> ✓ Public private partnerships (initiation and management secondary and secondary) ✓ Development of local skills (technical and business knowledge) ✓ Development of inner city (economic infrastructure) ✓ Cost containment (doing more with less) ✓ Research skill for continuous economic update (provide economic ✓ Information to potential investors) ✓ More focus on economic development from the municipality and an increased budget allocation to local economic development ✓ Strategies should take care of growing the survivalists, micro, small medium and large ✓ Full utilization of our natural resources (municipal land)

(c) SOCIAL FACTORS

OBSERVATIONS	
Threats	<ul style="list-style-type: none"> ✓ Inaccessibility to higher education, skills development centre ✓ Performance and facilities in the basic education, ECDs ✓ Skilled early childhood practitioners ✓ High crime rate ✓ Lack police visibility

	<ul style="list-style-type: none"> ✓ Drug abuse particularly among the youth ✓ High unemployment rate ✓ Poor and inaccessible primary health care ✓ Residing shops ✓ Chronic disease ✓ Dependency on social grants ✓ Child headed households ✓ Diversified cultures resulting in lack of promotion of a single belief system
Opportunities	<ul style="list-style-type: none"> ✓ Funding for infrastructure development to schools ✓ NSFAS and Government for education ✓ TVET College is available in Mt. Fletcher ✓ Arable land ✓ Anti-poverty policies government policies ✓ Active youth participation in sports ✓ Diversified cultures promote tourism
Implications for the Municipality	<ul style="list-style-type: none"> ✓ Increase in indigents ✓ Improved literacy rate ✓ Disinvestment as a results of a stagnant economy ✓ High crime levels areas to classification as a high insurance risk lead to higher premiums ✓ Poor state of health/ well being ✓ Unskilled labour, low skill levels literacy ✓ Poor and inaccessible primary health care ✓ Unhygienic and fermenting environment in shops
Preliminary options	<ul style="list-style-type: none"> ✓ Increase budget to fund indigents ✓ Allocate more resources of skills development ✓ Partnerships with skills providers ✓ More police visibility and awareness ✓ Support social and recreational opportunities ✓ Skills development centres ✓ Career information centre ✓ Upgrade and maintain access roads to primary health centre ✓ Implementation of bylaws on the health inspectors and law enforcement

(d) TECHNOLOGICAL FACTORS

OBSERVATIONS	
Threats	<ul style="list-style-type: none"> ✓ Because of the rural nature of our municipality, there is limited space for innovation. ✓ Broadband penetration is low. ✓ Impact of social media ✓ Reputational risks as people can spread perception ✓ Unfair and uniformed insults intended for public representatives ✓ Telecommunication infrastructure is limited. ✓ Electricity theft (Izinyoka)
Opportunities	<ul style="list-style-type: none"> ✓ Great and cheaper communication tool for service delivery to the community. ✓ The Elundini population is becoming younger, with 42% of the population younger 35 years.
Implications for the Municipality	<ul style="list-style-type: none"> ✓ Need to advocate for the mainstream ICT infrastructure through IGR. ✓ Leverage on existing infrastructure to increase access to internet.
Preliminary options	<ul style="list-style-type: none"> ✓ Establish the Twitter and Facebook pages.

(e) ECOLOGICAL FACTORS

OBSERVATIONS	
Threats	<ul style="list-style-type: none"> ✓ Climate Change/ Global Warming - Extreme Weathers (very hot, very cold)– RSA, District, and Elundini ✓ Extinction Of Species, E.G Vulture & other birds, animals and certain vegetation ✓ Deterioration Of Ecosystems And Wetlands (due to over Fishing, Hunting, New Developments) ✓ Environmental Pollution (Air, Water, Soil, Noise) ✓ Landfill Sites (running out of Space, houses within the buffer zone, dumping of unacceptable materials) ✓ Natural Disasters (Dongas, Floods, Storms, Veld Fires, Gust Winds) ✓ Use Of Fossil Fuels (wood burning, fire)

	<ul style="list-style-type: none"> ✓ Environmental Health Issues (Communicable Diseases)- waterborne and airborne diseases ✓ Land Invasion & Lack Of Land Use Management – Building in Cemeteries, Wetlands, Landfill Sites and Flood Plains.
Opportunities	<ul style="list-style-type: none"> ✓ Precipitation Harvesting – Rain water tanks, Snow melting , Mist And Mountains (as water sources) ✓ Ground Water (extraction of water) ✓ Legislation – Protected Areas, Conservation, 1996 Constitution section 24. NEMA 1998 ✓ Technology – use of Solar Panels, Sensors, Alternative Energy Sources ✓ Support From National and Provincial Environmental Affairs ✓ Education And Awareness Programs ✓ Recycling initiatives ✓ Land Use Management Planning extended to rural areas.
Implications for the Municipality	<ul style="list-style-type: none"> ✓ Waters Scarcity And Droughts ✓ Effects on Eco-Tourism (Bird Watching, Fly Fishing, Tsitsa Falls) – Tourists from overseas will no longer come ✓ Disasters / Ecosystems – threat to Food Security – increase on Dependence on Social Grants/ Indigents ✓ Disasters - Loss Of Life, Loss Of Productivity (working hours), Disruption To Service Delivery and its Implications ✓ Socio-Economics - Health Implications, Investment Issues, Economic Issues, Migrations To Better & Safer ✓ Environmental Deterioration – poor produce, browner pasture, invasive alien species
Preliminary options	<ul style="list-style-type: none"> ✓ Paperless Administration + Recycled Papers, ICT ✓ Energy Efficient Operations / Alternative Energy (Switching off Lights & Heaters, use of Led, sensors) ✓ Education And Awareness Campaigns – Environment, Energy Use & Disasters ✓ Effective Solid Waste Management, Implement New Technologies, allocate financial resources ✓ Establishment of Full Fire Services and Disaster Management ✓ Development of Climate Change Strategies, Environmental Management Plans, Energy Efficiency Strategies

(f) LEGAL FACTORS

OBSERVATIONS	
Threats	<ul style="list-style-type: none"> ✓ Over regulated environment when it comes to remuneration of section 56/7 managers, making it difficult for the municipality to attract and retain competent senior managers. ✓ Conditions of Services for municipal staff are decided at a Central and Divisional Bargaining council levels , especially the salaries and other benefits, as such municipalities are obliged to implement which affects the attraction & retention of staff. ✓ Strikes, picketing and protests due to salary and wage negotiations / service delivery. ✓ Regulations leading to confusion (SCM) regulations and central database, PPPFA. ✓ Disjuncture between regulations, legislation and practices especially in the SCM field (SARS tax clearance, etc.). ✓ No synergy between national, provincial and local government in terms of submissions of WSPs, ATRs and budgets. ✓ The manner in which legislation is written makes it difficult for smaller municipalities to comply, leading to law enforcement unit not legally constituted thereby exposing the municipality to possible litigations. ✓ Misalignment of powers and functions exposing the municipality into unnecessary protest and possible litigations. ✓ Land invasions especially in the Mt. Fletcher area due to a slow process of formalization of residential areas that has been promised. ✓ Noncompliance by other sister departments exposes the municipality to litigation and protest actions (Formalization of sites in Mt. Fletcher and Maclear).
Opportunities	<ul style="list-style-type: none"> ✓ There are functional IGR structures in place to address the issues (DIMAFO; MUNIMEC etc...). ✓ SALGA and COGTA to raise issues on behalf of the member municipalities. ✓ LRA (lockouts, no –work –no pay)
Implications for the municipality.	<ul style="list-style-type: none"> ✓ Delays and disjuncture in terms of service delivery; ✓ There may be possible service delivery protests and interruptions. ✓ Unnecessary litigations; and or disputes ✓ Lack of trust from the communities.

	<ul style="list-style-type: none"> ✓ Inability to attract and retain competent staff. ✓ Increased informal / illegal dwellings with limited / services that are unaccounted for.
Preliminary options	<ul style="list-style-type: none"> ✓ There is a need to harmonize all of the by –laws, regulations and legislations. ✓ There is a need to closely monitor the IGR performance. ✓ More interactions with SALGA so that they can have better understanding of their plight during the negotiations at SALGBC.

3.42. Organizational Analysis

Organizational Strengths & Weaknesses

In order to respond effectively to the challenges in which we operate, as prescribed by our legislative and constitutional mandate. We have note the following strengths which we intend to use to achieve our goals. We have also noted weaknesses which we intend to convert into strengths through effective management.

Table 41: SWOT Analysis

KPA	STRENGTHS	WEAKNESSES
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	<ul style="list-style-type: none"> ✓ Functional Council supported by committees ✓ Functional Audit Committee ✓ Traditional Leaders are participation in council ✓ Established and functional ward committees ✓ Established war-rooms ✓ CDWs in all wards ✓ Community Participation Liaison Workers in all villages ✓ Unqualified audit report ✓ Mayor's conversations properly coordinated 	<ul style="list-style-type: none"> ✓ Lack of customer care system ✓ Lack of proper system to disseminate information emanating from ward committees ✓ Archaic public participation methods ✓ Failure to review strategies (Risk Management Strategy, Communication, Customer Care, Youth Center, Public Participation etc.) ✓ Lack of Accountability (PMS) ✓ Poor implementation of service charter. ✓ Poor management of political processes resulting in delay in the establishment of ward committees in some wards

KPA	STRENGTHS	WEAKNESSES
	<ul style="list-style-type: none"> ✓ Creative and innovative projects (Khaba ka difaha, kairos moment, MSI etc.) ✓ SPU strategic plans (Sports Development plan, HIV and AIDs multi-sectorial response plan, Women Development plan etc. 	
FINANCIAL VIABILITY AND MANAGEMENT	<ul style="list-style-type: none"> ✓ Policies and Procedures and By-Laws are in place ✓ All senior Levels position are filled. ✓ Maintained effective systems of internal control ✓ Continuous improvement in audit outcomes ✓ Maintained an improved grant utilization mechanism. ✓ Accumulated adequate cash reserves to curb immediate financial interventions. ✓ Procurement Strategy that has led to reduce delays in infrastructure acquisition ✓ Grossly reduced consultant dependency on external service providers ✓ Achieved improved debt collections mechanisms. 	<ul style="list-style-type: none"> ✓ Inability to enforce directorate to make supply chain submissions ✓ There are constant compliance changes resulting in reduced short term procurement life cycle ✓ Inefficient debt collection strategies. ✓ Weakness in formulating adequate Specifications. ✓ Ineffective mechanisms in convening Bid Committees. ✓ Poor contract and project management. ✓ Ineffective people management skills. ✓ Lack of proactive asset management mechanism (need identification, timely disposal, maintenance) ✓ Lack of continuous review of organizational structure.
SERVICE DELIVERY AND INFRASTRUCTURE	<ul style="list-style-type: none"> ✓ Capacity to Plan and develop strategies ✓ Integrated Waste Management Plan ✓ 3 Year Capital Plan 	<ul style="list-style-type: none"> ✓ Lack of Customer Satisfaction Surveys ✓ Poor Contract Management and poor project management. ✓ Lack of By-law enforcement

ELM 2020 – 2021 DRAFT IDP

KPA	STRENGTHS	WEAKNESSES
	<ul style="list-style-type: none"> ✓ Human Resource Capacity – Qualified personnel ✓ Availability of Budget for Infrastructure for Roads Construction ✓ Availability of Plant and Equipment for Construction and refuse Collection. ✓ Construction Procurement Strategy in place to address the support of local contractors ✓ Compliance with Landfill Site Permit Conditions ✓ Provincial Recognition - Greenest Municipality Awards 	<ul style="list-style-type: none"> ✓ Over reliance on overtime. ✓ Over reliance on Mass Jobs and Casual Employees. ✓ Reliance on external service providers. ✓ Lack of Infrastructure Asset Management Strategy ✓ (From Procurement, use, maintenance and disposal). ✓ Dependence on MIG Funding with No Internal funding for Infrastructure. ✓ Lack of Supervision of general staff by their supervisors, Managers and HODs ✓ Under recovery on cost of services rendered (waste and electricity)
INSTITUTIONAL TRANSFORMATION AND MANAGEMENT	<ul style="list-style-type: none"> ✓ Trade unions are recognized by the institution. ✓ Recruitment & selection is internally focused thus giving promotional opportunities. ✓ Most of the grievances are settled internally before turning into disputes. ✓ Sound ICT infrastructure in place. ✓ Information sharing sessions are held quarterly. ✓ There is an employee wellness office in place. ✓ Job security and institutional memory guaranteed to all employees other than section 56/7 managers. 	<ul style="list-style-type: none"> ✓ No proper implementation of performance management systems. ✓ LLF meetings tends not to quorate ✓ Labour turn over on critical positions, where we cannot get suitably qualified person internally. ✓ Most of the policies are obsolete and require reviews / development. ✓ Implementation of most of the policies and strategies remains a challenge. ✓ Some of the policies are replaced by collective agreements as such they are not implementable. ✓ Job hopping as a result of internal recruitment. People to at least complete probationary period prior to applying for another post.

KPA	STRENGTHS	WEAKNESSES
		<ul style="list-style-type: none"> ✓ There is a capacity (under staffing and lack of competent staff) challenge within the ICT section. ✓ Lack of proper systems and processes. ✓ Lack of monitoring and evaluation of policies, systems and processes. ✓ Training and development of staff is a challenge. ✓ No proper occupational health and safety systems in place. ✓ Staff retention is a challenge. ✓ Wellness programs exclude councillors & traditional leaders. ✓ Under staffing especially in service delivery departments. ✓ Delays in filling of critical vacancies.
DEVELOPMENT PLANNING AND LOCAL ECONOMIC DEVELOPMENT	<ul style="list-style-type: none"> ✓ Institutional knowledge on economic development needs ✓ Agricultural development plan (in place) ✓ Mount Fletcher economic feasibility study ✓ Business enabling environmental study ✓ Permits and licenses plan ✓ Local business development support institutions (CDC & craft centre) ✓ Industrial development plan(furniture and other natural resources) ✓ Municipal property development plan ✓ Effective partnerships are in place 	<ul style="list-style-type: none"> ✓ LED strategy needs to be reviewed ✓ Tourism strategy need to be reviewed ✓ Policy to regulate informal trading ✓ Lack of resources to implement plan ✓ Lack of Research skills ✓ Budget constraints ✓ Non-functioning Maclear Open Market (separation of duties) ✓ Forestry development partnership eastern side and no initiative on the western side ✓ Office space ✓ Tourism information centre not fully utilized

ELM 2020 – 2021 DRAFT IDP

KPA	STRENGTHS	WEAKNESSES
	<ul style="list-style-type: none"> ✓ Procurement strategy allows for 25% benefit for SMMEs ✓ By-laws - SPLUMA ✓ Processes in place for applications ✓ Policies (property rates) ✓ Draft precinct plans (for three town) ✓ Land audit – land inventory ✓ Functional PMS (section 56/7) ✓ PMS policy in place ✓ 5-year IDP 	<ul style="list-style-type: none"> ✓ SPLUMA aligned town planning scheme ✓ GIS (data not upgraded) ✓ Budget constraints ✓ Revision of SDF ✓ Physical protection of land (enforcement) ✓ Lack of regulation to force improvements on property ✓ Revision of outdoor advertising by-law and policy. ✓ Inadequate office space ✓ Lack of long term vision of the municipality (e.g. Elundini 2050) ✓ Lack of Ward based plans ✓ No effective engagement with stakeholders – IDP forum ✓ Monitoring and evaluation framework ✓ Specialist on monitoring and evaluation ✓ PMS below 56 is not well functioning

4. SECTION C: VISION AND MISSION

The Mission and Vision Statements and Values of the Municipality were confirmed as valid and were not changed.

4.4. Vision Statement

“A leading rural municipality that delivers a better quality of life for all citizens - a municipality that is phenomenally viable, highly successful and passionately people-centered.”

4.5. Mission Statement

Our mission is to operate a rural municipality that:

- *delivers excellent services to its people who remain its priority in everything that it does,*
- *is financially viable,*
- *has good governance in place,*
- *is transformed and developmental,*
- *is clean, green and sustainable*

4.6. Values

Table 42: Values

Team Work:	We work together as a team, each playing their role to achieve common goals.
Commitment:	We are dedicated to achieving municipal objectives.
Trustworthiness:	We are honest & reliable.
Transparency:	We promote openness and accessibility to information
Ethical Conduct:	We subscribe to high morals and principles to promote and maintain integrity of the Municipality
Professionalism:	We utilise our skills and knowledge with due care and integrity.
Accountability:	We take responsibility for our actions and decisions.
Respect:	We treat all people with dignity and courtesy

5. SECTION D: GOALS, STRATEGIC OBJECTIVES, KEY PERFORMANCE AREAS AND PERFORMANCE INDICATORS

The Council and Administration of ELM have, in its strategic planning session held in February 2018, recommitted themselves to working towards the realization of the following three (3) strategic goals which have been aligned to the Vision, Mission and Key Performance Areas of the Municipality:

- **Goal One:** Accelerate service delivery and infrastructure development;
- **Goal Two:** Promote economic growth, environmental sustainability and creation of decent jobs;
- **Goal Three:** To improve the effectiveness of governance administrative and financial systems

5.4. Strategic Goals and Objectives

There was a consensus among participants that there were too many objectives in the current strategy, and some of them were over-lapping or purely activities. Discussions lead to the following reconfiguration of Strategic Goals and Objectivities.

Table 43: Strategic Goals and Objectives

Strategic Goals	Strategic Objectives
Goal 1: Accelerate service delivery and infrastructure development.	1.1. Efficient construction, rehabilitation and maintenance of municipal infrastructure
	1.2. Promote environmental health and safety of local communities
	1.3. Increase quantum of households receiving free basic services
Goal 2: Promote Sustainable economic growth and creation of decent jobs.	2.1. Increase mining, agricultural, forestry and tourism products and services
	2.2. Support the development of SMME to participate in a diversified and growing economy.
	2.3. To increase investment through land and socio-economic infrastructure development.
	2.4. Promote creation of employment opportunities and decent jobs

Goal 3: Improve the effectiveness of governance, administrative and financial systems.	3.1.Strengthen integrated planning, monitoring and evaluation of municipal programs.
	3.2.Enhance organisational performance and management of municipal resources
	3.3.Improve public participation and oversight to enhance accountability

5.5. Alignment of National Outcomes

ELM supports the National Development Plan and the Eastern Cape Provincial Development Plan. Our Strategic Plan will contribute to the realization of the outcomes articulated for South Africa and Eastern Cape respectively:

National Outcomes		How Elundini will contribute to these outcomes
1	Decent employment through inclusive growth	<ul style="list-style-type: none"> • Increase agricultural, forestry and tourism products and services by 2021 • Support the development of SMME to participate in a diversified and growing economy. • Effective implementation of the Procurement Strategy
2	Skilled and capable workforce to support an inclusive growth path	<ul style="list-style-type: none"> • Support the development of SMME to participate in a diversified and growing economy.
3	An efficient, competitive and responsive economic infrastructure network	<ul style="list-style-type: none"> • Efficient construction, rehabilitation and maintenance of municipal infrastructure • Build new and rehabilitate existing child care facilities to promote early childhood development by 2021. • To increase investment through property and economic infrastructure development. • Increase productive use of land • Efficient allocation of financial resources in line with IDP and Budget. • Increase quantum of households receiving free basic services

4	Vibrant, equitable and sustainable rural communities with food security	<ul style="list-style-type: none"> Rural job creation linked to skills development and promoting economic livelihood
5	Sustainable human settlements and improve quality of household life	<ul style="list-style-type: none"> Improve public safety and security
6	Responsive accountable, effective and efficient local government	<ul style="list-style-type: none"> Improve contract management and project monitoring systems. Improve efficiencies in management of financial resources Optimize the participation of communities in the affairs of the Municipality. Strengthen integrated planning, monitoring and evaluation of municipal programs
7	Protect and enhance our environment assets and natural resources	<ul style="list-style-type: none"> Provide a safe and healthy environment

5.6. The Five Year Implementation Plan

Strategic objectives and KPI meant to track progress in addressing priority issues and realizing the goals across, and within, each of the KPA over the next five years are outlined below. This information is specifically informed by existing Local, District, Provincial, and National priorities. Some of the indicators included are taken directly from the Local Government Performance Management Regulations, Schedule to the Municipal Systems Act. This information will also be included in individual performance plans thus ensuring an integrated performance management system which fosters accountability and responsiveness.

5.7. IDP FIVE YEAR PLAN – 2018 TO 2023

Table 44: Five Year IDP Project Priorities

Strategic Goal 1: Accelerate service delivery and infrastructure development									
Strategic objectives	Activities	Indicators	Indicative Budget (19/20)	TARGET					
				5 Year Target	2018/19	2019/20	2020/21	2021/22	2022/23
1. Efficient construction, rehabilitation and maintenance of municipal infrastructure	<ul style="list-style-type: none"> • Electrification of households and provision of public lighting • Construction, Upgrading and Maintenance of Electrical network • Planning of Roads Infrastructure • Design of Roads Infrastructure • Procurement of Service Provider for construction of roads • Construction and Maintenance of Roads Infrastructure • Planning of Public Amenities • Design of Public Amenities • Procurement of Service Provider for construction of Public Amenities 	1.1.1. Number of households in electrification program connected	R 18 500 000	4646	507	1060	839	1 160	1 140
		1.1.2. Number of km for Link Line constructed	R 2 500 000	30	22	10	-	-	-
		1.1.3. Number of Street lights Installed in Maclear	R 1 082 500	400	70	50	100	50	80
		1.1.4. Number High Mast Lights installed	R 1 937 230	15	0	3	4	4	4
		1.1.5. % of street lights maintained	R 2 000 000	100%	100%	100%	100%	100%	100%
		1.1.6. % high mast lights maintained		100%	100%	100%	100%	100%	100%
		1.1.7. Number of Smart meters installed	R 4 000 000	1200	0	300	500	200	200
		1.1.8. Number of transformers in electrical network refurbished	R 1 138 827	10	2	2	2	2	2

ELM 2020 – 2021 DRAFT IDP

Strategic Goal 1: Accelerate service delivery and infrastructure development									
Strategic objectives	Activities	Indicators	Indicative Budget (19/20)	TARGET					
				5 Year Target	2018/19	2019/20	2020/21	2021/22	2022/23
	<ul style="list-style-type: none"> Determine locations of child care facilities. Develop business plan. Intergrade it with a 3 year plan MIG capital PCM. Procure service provider/determine implementation modality. 	1.1.9. KMs of electrical network maintained	R 4 000 000	124km	28,4km	28,4km	28,4km	28,4km	28,4km
		1.1.10. Kms of paved roads constructed	R 12 984 707	40.18	7.8	9.6	3.68	9.55	9.55
		1.1.11. KMs of unpaved access roads constructed	R 8 610 589	70.92	10.57	18.7	20	10.74	10.91
		1.1.12. Number of public amenities constructed	R 11 827 602	9	1	4	2	1	1
		1.1.13. KMs of DR roads maintained under SLA	R 6 000 000	1100	220km	220km	220km	220km	220
		1.1.14. KMs of access roads maintained under SLA		1000	200	200	200	200	200
		1.1.15. Number of public amenities maintained	R 3 950 000	16	0	4	4	4	4
		1.1.16. Number of bridges rehabilitated	R 6 100 000	20	4	4	4	4	4
2. Increase quantum of households receiving free basic services	<ul style="list-style-type: none"> Review and update municipal indigent register Encourage qualifying beneficiaries to register on the municipal Indigent Register 	2.1.1. The number of indigent households with access to free basic services	R 6 289 427	12500	10500	11000	11500	12000	12500

ELM 2020 – 2021 DRAFT IDP

Strategic Goal 1: Accelerate service delivery and infrastructure development									
Strategic objectives	Activities	Indicators	Indicative Budget (19/20)	TARGET					
				5 Year Target	2018/19	2019/20	2020/21	2021/22	2022/23
3. Efficient construction, rehabilitation and maintenance of municipal infrastructure	•	3.1.1. Number of child care facilities built/rehabilitated (rollover 2018/19)	R 750 000	4	1	0	1	1	1
4. To promote environmental health and safety of local communities	•	4.1.1 Percentage of reported fire incidents responded to	R 0	100%	100%	100%	100%	100%	100%
4. Improve public safety and security	<ul style="list-style-type: none"> Construction and Maintenance of Public Amenities Conduct Road blocks Enforcement of By-laws Erection and Replacement of Road Signs, Road marking and calming measures Fire Responses and prevention measures 	4.1.2. Number of inspections relating to fire safety	R100 000	80	20	20	20	20	-
		4.1.3. Number of Health, Safety and security related interventions implemented	R40 000	10	2	2	2	2	2
5. Provide a safe and healthy environment	• Refuse collection, street cleaning, litter picking and cleansing.	5.1.2. Number of households and commercial properties with access to refuse collection services	R600 000	11 000	7558	7630	7800	7800	7800

ELM 2020 – 2021 DRAFT IDP

Strategic Goal 1: Accelerate service delivery and infrastructure development									
Strategic objectives	Activities	Indicators	Indicative Budget (19/20)	TARGET					
				5 Year Target	2018/19	2019/20	2020/21	2021/22	2022/23
	<ul style="list-style-type: none"> Public Awareness and Education on environmental management Environmental Conservation Programs conducted 	5.1.3. Number of entries to Greenest Municipality Competition	R15 000	5	1	1	1	1	1
		5.1.4. Number of land fill sites audits conducted	R450 000	5	1	1	1	1	1
<ul style="list-style-type: none"> To increase investment through property and economic infrastructure development 	<ul style="list-style-type: none"> Development of municipal & other government owned land including maximizing the existing assets (include a commercial element in multi-purpose centres) Facilitate the establishment of government services Facilitate the improvement and densification of private owned land Asset (land & other economic infrastructure) management plan Sign Public Private Partnership agreements Workshops with various stakeholders Conduct various research, studies and analysis 	5.1.5. Number of property development projects successfully concluded	R15m	8	3	2	2	1	-
		5.1.6. Rand value of property development attracted		R450m	R 95m	R144m	R123m	R87m	
		5.1.7. Rand value of capital budget for small town development		R130m	R29.5m	R39m	R34m		
		5.1.8. Number of construction jobs work opportunities created (artisans, electricians)		800	250	300	250		
		5.1.9. Number of permanent jobs created		260	50	60	70		

ELM 2020 – 2021 DRAFT IDP

Strategic Goal 1: Accelerate service delivery and infrastructure development									
Strategic objectives	Activities	Indicators	Indicative Budget (19/20)	TARGET					
				5 Year Target	2018/19	2019/20	2020/21	2021/22	2022/23
5.2. Increase quantum of households receiving free basic services	<ul style="list-style-type: none"> Conducting of awareness sessions to educate households Identification and registration of qualifying households 	5.2.2. Number of households receiving free basic services	R6.5m	10000	10 000	9600	9800		

ELM 2020 – 2021 DRAFT IDP

GOAL 2: PROMOTE ECONOMIC GROWTH, ENVIRONMENTAL SUSTAINABILITY AND DECENT JOBS

Strategic Goal 2:		Promote economic growth, environmental sustainability and creation of decent jobs							
Strategic objectives	Activities	Indicators	Indicative Budget	TARGET					
				5 Year Target	2018/19	2019/20	2020/21	2021/22	2021/22
2.1. Increase agricultural, forestry and tourism products and services by 2021	<ul style="list-style-type: none"> Facilitate sector based enterprise development Marketing the Elundini area to investors and tourists Facilitate PPPs Host an Investment Summit Review the LED strategy Develop a Rural Development Strategy for Elundini. Commission Feasibility Studies for Industry based enterprises 	2.1.1. Number of jobs created from agriculture	R5m	15 000	2000	7000	12000		
		2.1.2. Number of tourism initiatives supported		14	2	3	3		
		2.1.3. Number of jobs created from forestry		26	26	26	26		
		2.1.4. Number of rural industry development projects implemented		3	0	1	1		
		2.1.5. Number of new direct investors attracted		8	3	2	2		
		2.1.6. Number of new indirect investors attracted indirectly through enabling environment		4	1	1	1		

ELM 2020 – 2021 DRAFT IDP

Strategic Goal 2:		Promote economic growth, environmental sustainability and creation of decent jobs							
Strategic objectives	Activities	Indicators	Indicative Budget	TARGET					
				5 Year Target	2018/19	2019/20	2020/21	2021/22	2021/22
2.2. Support the development of SMME to participate in a diversified and growing economy	<ul style="list-style-type: none"> Develop and implement a support program to provide entrepreneurial skills Establish business networks and provide support Form partnerships with ECDC, SEDA and other agencies to support incubation hub within the area. Develop the knowledge base to enhance the Knowledge economy and support skills aligned to economic growth 	2.2.1. Number of SMMEs receiving development support from the municipality	R5m	450	100	150	200		
		2.2.2. % of SMMEs supported with 10 percent increase in turnover		30%	20%	25%	30%		
		2.2.3. % of infrastructure budget spent through local SMMEs		25%	25%	30%	25%		
	<ul style="list-style-type: none"> Develop and submit business plans for EPWP (Mass Job Creation & Capital Projects, etc.) 	2.2.4. Number of EPWP work opportunities created (FTE)	17/18–R2.6 m 18/19 – R 19/20 – R	668	128	156	156		
		2.2.5. Number of Recycling Initiatives supported		11	3	4	4		
		2.2.6. Number of energy efficiency programs initiated		9	2	3	4		
	<ul style="list-style-type: none"> To lobby partnership (FET College) on youth development. 	2.2.7. Number of young people (17-35 years) subjected to critical skills	R0	250	50	50	50		

ELM 2020 – 2021 DRAFT IDP

Strategic Goal 2:		Promote economic growth, environmental sustainability and creation of decent jobs							
Strategic objectives	Activities	Indicators	Indicative Budget	TARGET					
				5 Year Target	2018/19	2019/20	2020/21	2021/22	2021/22
	<ul style="list-style-type: none"> Develop and implement a model for the operationalization of Elundini Youth Centre situated in Mount Fletcher. To undertake career exhibitions. Provide support to focus groups on planning, sourcing of funding and business operations. 	development programs							
		2.2.8. Number of bursaries awarded		25	5	5	5		
		2.2.9. % of focus groups benefiting from the procurement strategy		15%	15%	15%	15%		
2.3. Effective implementation of the Procurement Strategy	Identify and register local SMME on incubation database	2.3.1. % of infrastructure budget spent through local SMMEs	R0	25%	25%	25%	25%		
2.4. Increase productive use of land	<ul style="list-style-type: none"> Conduct land audit Develop partnerships on communal and private land areas Review the SDF Develop land use policy Conduct Research and Studies Training & workshops Engage National Department of Public Works, BG Bison and other landowners for 	2.4.1. Hectares of private land available for agricultural activities	R50m	15 000ha	2000ha	7000ha	12000ha		
		2.4.2. Hectares of land zoned for commercial/industrial development		15 ha	15 hectares	5 hectares	5Hectares		
		2.4.3. Hectares of land zoned for housing development		15 ha	8 hectares	5 hectares	5Hectares		

ELM 2020 – 2021 DRAFT IDP

Strategic Goal 2:		Promote economic growth, environmental sustainability and creation of decent jobs							
Strategic objectives	Activities	Indicators	Indicative Budget	TARGET					
				5 Year Target	2018/19	2019/20	2020/21	2021/22	2021/22
	cemeteries and human settlement	2.4.4. Number of phases undertaken towards the development of LUS & SDF	R 580 000	New	4	4	-	-	-
		2.4.5. Number of activities undertaken towards RAFI Investment initiative	R 500 000	New	3	3	-	-	-

ELM 2020 – 2021 DRAFT IDP

GOAL 3: TO IMPROVE THE EFFECTIVENESS OF GOVERNANCE, ADMINISTRATIVE AND FINANCIAL SYSTEMS

Strategic Goal 3	To improve the effectiveness of governance, administrative and financial systems								
Strategic objectives	Activities	Indicators	Indicative Budget	TARGET					
				5 Year Target	2018/19	2019/20	2020/21	2021/22	2021/22
3.1. Improve contract management and project monitoring systems.	<ul style="list-style-type: none"> Identification and procurement of suitable contract management and project monitoring system. Submission of Reports to standing committees and council Standardisation of Tender Documents and Contracts 	3.1.1. % reduction in contract queries		50%	25%	35%	45%	50%	55%
		3.1.2. % contracts completed with quality timeframe and costs		90%	90%	90%	90%	90%	90%
		3.1.3. % adherence to the compliance framework		100%	100%	100%	100%	100%	100%
3.2. Improve efficiencies in management of financial resources	<ul style="list-style-type: none"> Update and continuous review of policies and procedures Timeous Compilation of compliant reports Prevention and execution of consequence management on unauthorised, irregular, fruitless & wasteful expenditure. Updated GRAP compliant FAR 	3.4.2. Liquidity Ratios	RO	1:5:1	1:5:1	1:5:1	1:5:1	1:5:1	1:5:1
		3.4.2. Cost Coverage Ratio		1 month	1 month	1 month	1 month	1 month	1 month
		3.4.2. Net Debtor's Day		200 days	200 days	200 days	200 days	200 days	200 days
		3.4.2. Capital vs Total Expenditure Ratio		10%	10%	10%	10%	10%	10%
		3.4.2. Collection Rate		95%	95%	95%	95%	90%	90%
		3.4.2. PPE Ratio		3%	3%	3%	3%	3%	3%
		3.4.2. Number of asset verifications conducted		10	2	2	2	2	2

ELM 2020 – 2021 DRAFT IDP

Strategic Goal 3		To improve the effectiveness of governance, administrative and financial systems							
Strategic objectives	Activities	Indicators	Indicative Budget	TARGET					
				5 Year Target	2018/19	2019/20	2020/21	2021/22	2021/22
	<ul style="list-style-type: none"> Provide quarterly reports to MPAC on irregular, fruitless, unauthorised expenditure Conducted feasibility study report to determine cost effectiveness of tariffs Reduction of electricity distribution losses to 15% Identify and recruit Revenue Protection Officer (Electricity) Conduct Feasibility studies 	3.4.2. % increase in revenue generated from rates and taxes	RO	27.6% (compound ed)	5%	5%	5%	5%	5%
3.3. Continuous monitoring of capital spending	<ul style="list-style-type: none"> Contract Management Monitoring Development of Demand Management Plan Produce Section 71 Reports Develop Bid Evaluation schedule Develop a Bid Adjudication schedule 	3.4.2. % variance on capital expenditure	RO	+ -5%	+ -5%	+ -5%	+ -5%	+ -5	+ -5
3.4. Improvement of ICT efficiency in order to support municipal objectives.	<ul style="list-style-type: none"> Develop an off - site ICT disaster recovery site. Review and implement ICT risk register. Implementation of encryption tools. 	3.4.2. Number of municipal facilities with access to ICT services	R1.5m	14	4	4	4	2	-
		3.4.3. % Network Uptime		(60%)	95%	95%	95%	95%	95%
		3.4.4. % of system with latest antivirus or anti spyware signatures		95%	95%	95%	95%	95%	95%

ELM 2020 – 2021 DRAFT IDP

Strategic Goal 3		To improve the effectiveness of governance, administrative and financial systems							
Strategic objectives	Activities	Indicators	Indicative Budget	TARGET					
				5 Year Target	2018/19	2019/20	2020/21	2021/22	2021/22
	<ul style="list-style-type: none"> To provide efficient ICT support to the institution and every ward (by 2021). Implement ICT disaster recovery plan. 	3.4.5. % of remote backups per month		100%	100%	100%	100%	100%	100%
3.5. Improvement of security system to all administrative Units and facilities.	<ul style="list-style-type: none"> Develop Security Master Plan. Improve physical access controls. Install visual monitoring systems by 2021. % improvement of security systems. Improve safety and security of municipal employees and assets. 	3.6.1. % decrease in lost assets	R1.5m	75%	50%	60%	75%	90%	100%
		3.6.2. % reduction in security related incidents.		80%	50%	70%	80%	90%	100%
3.6. Enhance organisational performance in order to achieve organisational objectives.	<ul style="list-style-type: none"> Review organogram Develop an Organisation Development Strategy; Develop recruitment plans. Develop standard operation procedures. Review HR related policies. Review Human Resources Management Plan 	3.6.3. Turnaround times in responding to queries in days	R0	10 Working Days	14 Working Days	12 Working Days	10 Working Days	7 Working Days	5 Working Days
		3.6.4. Improve turnaround time in filling of vacant budgeted positions in days		70 Days	90 Days	80 Days	70 Days	60 Days	60 Days
		3.6.5. Improve turnaround time in resolving disputes in days		10 Days	20 Days	15 Days	10 Days	10 Days	10 Days
	<ul style="list-style-type: none"> Review of Human Resources Development Strategy. 	3.6.6. Number of employees on performance agreements	R0	259	30	30	259	259	259

ELM 2020 – 2021 DRAFT IDP

Strategic Goal 3		To improve the effectiveness of governance, administrative and financial systems							
Strategic objectives	Activities	Indicators	Indicative Budget	TARGET					
				5 Year Target	2018/19	2019/20	2020/21	2021/22	2021/22
	<ul style="list-style-type: none"> Annual development and implementation of WSP. Number of performance agreements concluded and assessed. Performance Management Systems cascaded to all levels 	subjected to performance assessments.							
		3.6.7. Number of employees trained		259	150	200	259	280	280
		3.6.8. Number of Councillors/Traditional Leaders trained		41	41	41	41	41	41
	<ul style="list-style-type: none"> Review Employee Wellness Strategy Develop OHS Management systems Review OHS Risk register. 	3.6.9. % Reduction in OHS incidents		50%	20%	20%	40%	40%	40%
		3.6.10. % reduction in the rate of absenteeism due to occupational ill-health		20%	20%	20%	20%	20%	20%
3.7. Promote good governance by providing efficient administrative support to councillors, traditional leaders and council	<ul style="list-style-type: none"> Develop standard operation procedures. Development of schedule of resolutions. Implementation of GG on council support. 	3.7.1. Number of committee meetings held	R0	50	10	10	10	10	10
		3.7.2. Number of council meetings held		20	4	4	4	4	4
		3.7.3. % of council resolutions implemented		100%	100%	100%	100%	100%	100%
3.8. Optimize the participation of communities in the affairs of the Municipality.	<ul style="list-style-type: none"> Establish functional ward committees. Establish functional war rooms. Convene village based interactions with communities. 	3.8.1. Number of wards with functional committees	R10m	17	17	17	17	17	17
		3.8.2. Score in the community satisfaction survey (Index of 1-5)		2	-	-	1	-	-

ELM 2020 – 2021 DRAFT IDP

Strategic Goal 3		To improve the effectiveness of governance, administrative and financial systems							
Strategic objectives	Activities	Indicators	Indicative Budget	TARGET					
				5 Year Target	2018/19	2019/20	2020/21	2021/22	2021/22
	<ul style="list-style-type: none"> Explore and implement modern technologies to enhance community participation. 	3.8.3. Number of IT-based public participation methods used		3	3	-	-	-	-
3.9. Strengthen integrated planning, monitoring and evaluation of municipal programs	<ul style="list-style-type: none"> Develop the institutional strategy Develop the SDBIP Review the strategy and the SDBIP Establish high level negotiation platforms with relevant departments to improve service delivery Organise Mayor's engagement sessions with key stakeholders. To develop Monitoring and evaluation framework for the institutional strategy Develop a Municipal Scorecard Conduct Municipal Performance Reviews 	3.9.1. % of targets met on the municipal scorecard	R500 000	95%	80%	85%	90%	95%	100%
		3.9.2. % participation of sector departments in IDP processes		100%	100%	100%	100%	100%	100%
		3.9.3. Rating score on the COGTA IDP standard		High	High	High	High	High	High
		3.9.4. Number of ward based plans development		17	8	9	17	17	17
		3.9.5. Number of performance reviews conducted		10	2	2	2	2	2
		3.9.6. % of municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated	R 80 million	100%	100%	100%	100%	100%	100%

ELM 2020 – 2021 DRAFT IDP

Strategic Goal 3		To improve the effectiveness of governance, administrative and financial systems							
Strategic objectives	Activities	Indicators	Indicative Budget	TARGET					
				5 Year Target	2018/19	2019/20	2020/21	2021/22	2021/22
		development plan, including MIG, INEP and OTP grant							
		3.9.7. % of allocated budget for WSP spent	R 1 900 000	95%	95%	95%	95%	95%	95%
		3.9.8. The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	R 12 056 357	5	5	-	-	-	-
		3.9.9. Number of oversight strategies developed	R325 000	1	1	-	-	-	-
		3.9.10. Level of proficiency of the Internal Audit Unit (level 1 = Low, Level 2 = Medium, Level 3 = High)	R 0	Level 3 (high)	Level 3 (high)	Level 3 (high)	Level 3 (high)	Level 3 (high)	Level 3 (high)

5 SECTION E - POLICIES, SECTOR PLANS AND STRATEGIES

The strategic approach to the development of the ELM's integrated development plan is underpinned by policies and strategies of the national and the provincial government. The development objectives of these policies have influenced the development of the strategic direction that the Municipality has identified. The national development plan is an overarching national policy that has informed the municipal strategy formulation. The other recent and relevant developmental policies which the municipal strategy has been aligned to are National Strategic Infrastructure Projects, Millennium Development Goals, Service Delivery Agreement Outcome 9, the King IV Code and the Provincial Government Development priorities. The section will also list the sector strategies that led the strategic direction of the municipality.

5.1. National Development Plan

5.1.1. Introduction

Through previous programs (reconstruction and development program) South Africa looks different from 1994. However, there is much that looks the same. There are still short coming in the development path. There is insufficient progress in reducing poverty and inequality and unemployment. South Africa has a potential and capacity to eliminate poverty and reduce in equality over the next decade – Long term development plan. Elundini municipality should in the future have a long term development plan aligned to the National Plan. It should integrate the plans to the IDP and also promotes that people should be champion of their own development and government must work effectively to develop people's capabilities to lead the lives they desire.

The National development plan is based on:

- ✓ effective participation of South African Citizens in their own development;
- ✓ redressing of the injustice of the past effectively;
- ✓ faster economic growth and higher investment and employment;
- ✓ rising standard of education;
- ✓ a healthy population and effective social protection;
- ✓ strengthening the linkages between the social and economic strategies;
- ✓ effective capable government, collaboration between government and private sector, strong sector leadership.

5.1.2. Strategic Projects Priorities by President's Infrastructure Coordinating Commission

The ELM through the district initiatives has also aligned its strategies to the national strategic project initiatives which it could benefit from such as follows:

➤ **SIP 6: INTEGRATED MUNICIPAL INFRASTRUCTURE PROJECT**

Develop national capacity to assist the 23 least resourced districts (19 million people) to address all the maintenance backlogs and upgrades required in water, electricity and sanitation bulk infrastructure. The road maintenance program will enhance service delivery capacity thereby impacting positively on the population.

➤ **SIP 10: ELECTRICAL INFRASTRUCTURE**

Electricity transmission and distribution for all. Expand the transmission and distribution network to address historical imbalances, provide access to electricity for all and support economic development. Align the 10-year transmission plan, the services backlog, the national broadband roll-out and the freight rail line development to leverage off regulatory approvals, supply chain and project development capacity.

➤ **SIP 11: AGRO PROCESSING INFRASTRUCTURE**

Investment in agricultural and rural infrastructure that supports expansion of production and employment, small-scale farming and rural development, including facilities for storage (silos, fresh-produce facilities, packing houses); transport links to main networks (rural roads, branch train-line, ports), fencing of farms, irrigation schemes to poor areas, improved R&D on rural issues (including expansion of agricultural colleges), processing facilities (abattoirs, dairy infrastructure), aquaculture incubation schemes and rural tourism infrastructure.

➤ **SIP 18: WATER AND SANITATION INFRASTRUCTURE**

A 10-year plan to address the estimated backlog of adequate water to supply 1.4 million households and 2.1 million households to basic sanitation. The project will involve provision of sustainable supply of water to meet social needs and support economic growth. Projects will provide for new infrastructure, rehabilitation and upgrading of existing infrastructure, as well as improve management of water infrastructure.

5.2. Millennium Development Goals

The Millennium Declaration signed by world leaders of 189 countries in 2000, established 2015 as the deadline for achieving most of the millennium development goals. South Africa adopted vision 2014, which is derived directly from the United Nations Millennium Goals. Vision 2014 outlined the following:

- Reduce unemployment by half through new jobs, skills development, assistance to small businesses, opportunities for self-employment and sustainable community livelihoods.
- Reduce poverty by half through economic development, comprehensive social security, land reform and improved household and community assets.
- Provide the skills required by the economy, build capacity and provide resources across society to encourage self-employment with an education system that is geared for productive work, good citizenship and a caring society.
- Ensure that all South Africans, including, especially the poor and those at risk – children, youth, women, the aged and people with disabilities- are fully able to exercise their constitutional rights and enjoy the full dignity of freedom.
- Compassionate government service to the people, national, provincial and local public representatives who are accessible, and citizens who know their rights and insist on fair treatment and efficient service.
- Massively reduce cases of TB, diabetes, malnutrition and maternal deaths, and turn the tide against HIV and AIDS, and, working with the rest of Southern Africa, strive to eliminate malaria, and improve services to achieve a better national health profile and reduction of preventable causes of death, including violent crime and road accidents.
- Significantly reduce the number of serious and priority crimes as well as cases awaiting trial, with a society that actively challenges crime and corruption, and with programs that also address the social roots of criminality.
- Position South Africa strategically as an effective force in global relations, with vibrant and balanced trade and other relations with countries of the South and the North, and in an Africa that is growing, prospering and benefiting all Africans, especially the poor.

The goals consist of quantified targets to address extreme poverty in its many dimensions viz. poverty, hunger, disease, lack of adequate shelter, and exclusion whilst promoting gender equality, education, and environmental sustainability. At the same time the goals also represent basic human rights i.e. the rights of each person on the planet to health, education, shelter, and security.

5.3. Delivery Agreement: Outcome 9

The aim of Delivery Agreement: Outcome 9 is to ensure a responsive, accountable, effective and efficient local government system so as to restore the confidence of citizens in the local government sphere. As such municipalities need to ensure that the basic needs of communities are met; build clean, effective, efficient, responsive and accountable local government; improve performance and professionalism and strengthen

partnerships between local government, communities and civil society. The Outcome consists of seven outputs which need to be achieved, viz.:

- ✓ Implement a differentiated approach to municipal financing, planning and support;
- ✓ Improve access to basic services;
- ✓ Implementation of the Community Work Program;
- ✓ Actions supportive of the human settlement outcome;
- ✓ Deepen democracy through a refined Ward Committee Model;
- ✓ Improve administrative and financial capability;
- ✓ A single window of coordination.

The outputs consist of targets, indicators and key activities which need to be achieved. The achievement of these outputs will go a long way in improving the lives of residents whilst at the same time improving the processes within government so they are able to operate more effectively and efficiently.

5.4. Other Polices and Strategies

The other polices and strategies that the ELM has aligned its strategies to are:

5.4.1. Provincial and National

- ✓ Provincial Growth and Development Strategy
- ✓ Cooperative Development Strategy
- ✓ Provincial Job Creation Strategy
- ✓ Rural Development Strategy
- ✓ Spatial Development Framework
- ✓ Investment and Promotion Strategy

5.4.2. District Municipality

- ✓ Integrated Transport Plan
- ✓ District Environmental Plan
- ✓ Water Services Development Plan
- ✓ Integrated Solid Waste Management Plan
- ✓ Disaster Management Plan
- ✓ Environmental Management Plan
- ✓ Agricultural Development Plan
- ✓ Forestry Sector Plan

5.4.3. Elundini Local Municipality

5.4.3.1. Key Sector Plans

Table 45: Compulsory sector plans to be included in IDPs

No	Sector Plans	ELM Status	Custodian	Comment	Action	Timeframes
1	Spatial Development Framework	✓	SP&LED	Reviewed and adopted by Council in December 2018	Completed	N/A
2	Financial Plan	✓	CFO	In good standing	N/A	N/A
3	Applicable Disaster Management Plan	X	Community Services	This plan exists at a district level	ELM needs to develop its own	2020/2021
4	Integrated Transport Plan	✓	IP&D	In good standing	N/A	N/A
5	Housing Sector Plan/Strategy	✓	SP&ED	Reviewed in 2014/2015	Need to confirm whether the plan requires review or not depending on progress in the implementation of the current housing sector plan. Housing sector plan for RDP in existence. Reviewed in 2016/2017	N/A
6	Environmental Management Plan	✓	Community Services	ELM uses the District EMP of 2011.	Need to develop our own ELM plan instead of relying on the district plan. No progress yet.	2019/2020
7	Water Services Development Plan	✓	JGDM	This plan only exists at district level	Not applicable to ELM as the district is the water services authority	N/A
8	(Integrated) Waste Management Plan	✓	Community Services	In Good Standing	N/A	N/A
9	Public Participation Strategy/Plan (Stakeholder Engagement Strategy/Plan)	✓	MM's Office	Reviewed	Completed	N/A
10	Communication Strategy/Plan	✓	MM's Office	Recently reviewed	N/A	N/A
11	Workplace Skills Development Plan	✓	Corporate Services	In good standing 2019/2020	N/A	N/A
12	Employment Equity Plan	✓	Corporate Services	In good standing 2019/2020	2019/2020	N/A
13	Human Resources Plan	✓	Corporate Services	Requires review	Needs review	2019/2020

ELM 2020 – 2021 DRAFT IDP

14	Human Resource Development Strategy	✓	Corporate Services	Requires review	Redirecting funding of talent management to HR plans and strategy	2018/2019
15	Performance Management Framework and Policy	✓	Corporate Services	Reviewed	Completed	N/A
16	Recruitment and Selection Strategy	X	Corporate Services	Planned to be developed together with HRD Plan and Strategy	Needs review	2019/2020
17	Scarce Skills Attraction and Retention Strategy	X	Corporate Services	Planned to be developed together with HRD Plan and Strategy	Needs review	2019/2020
18	Succession Plan Need to reconsider whether ELM needs it or not. Research further with institutions such as SALGA, etc.	X	Corporate Services	Planned to be developed together with HRD Plan and Strategy	Needs review	2019/2020
19	Occupational Health And Safety Management System	X	Corporate Services	It is not explicit in the IDP whether the plan exists or not	There is OHS draft policy. Alignment between policy and system to be reviewed.	Q4 2017/2018
20	Anti-corruption and Anti-fraud Strategy	✓	MM's Office	Requires review	In progress	
21	LED Strategy	✓	SP&ED	Requires review	Need funding	2018/2019
22	Comprehensive Infrastructure Plan • Storm-water Master Plan • 3 Year MIG Capital Plan • 3 Year INEP Capital Plan • 3 Year Roads Maintenance Plan	✓	IP&D	The plan is developed and broken down into different plans	In good standing Need to be reviewed every two years (storm-water needs to be reviewed) 3 year roads maintenance plan under review-	2020/2021
	Electricity master plan	✓	IP&D	In place	N/A	N/A
23	Delegations Framework	✓	MM's Office	Recently reviewed in 2016/2017	In good standing	N/A
	Disaster/Emergency Preparedness Plan	X	Community Services & IP&D	Need to be developed	Not in place	2020/2021
	Air Quality Management Plan	X	Community Services	Not in Place	Not in place	2020/2021

- Municipalities need to have their own plans on how to respond to their disasters, including flooding of bridges, fires,

- Policy on Trade Effluent Plan to be incorporated in the Integrated Waste Management Plan.

5.5. Ward-Based Plans

ELM developed ward development plans for all wards in 2017/2018 financial year and wards needed to be supported towards implementation of these plans.

In 2018/2019 financial year ELM appointed RULIV as the service provider to focus on phase 1 of the implementation support which was rendered in all wards. The phase focussed on project prioritisation and packaging which included the following deliverables:-

- i. Facilitate project prioritization and package short-term (low-hanging fruit projects for quick implementation) and medium-long term projects
- ii. Facilitate conversation through workshops on suitable/desired ward/community development entities to drive, and facilitate development and utilization of resources
- iii. Package projects which are ward-specific and projects which are local-based, i.e. projects that cut across the municipality and affect more than one ward.
- iv. Develop ward strategy implementation plans

In 2019/2020 financial year (which is the current financial year for the municipality ending 30 June 2020) ELM appointed Umhlaba Consulting for a period of 24 months to facilitate the remaining deliverables of the ward based planning process which included the following :-

- Develop concept notes and business plans for prioritized projects
- Identify projects that require feasibility studies and advise the municipality on practical steps to be taken.
- Facilitate establishment of ward/community development entities such as community trusts to facilitate development and utilization of resources
- Facilitate creation of partnerships with various institutions such as academic, funding, research, development institutions, NGOs and CBOs, etc.
- Provide capacity building to empower community development structures with necessary skills that would enable them to drive the development of the ward
- Facilitate the review of ward-based plans to update priorities and assess projects/activities already implemented or in progress

ELM 2020 – 2021 DRAFT IDP

- Pilot projects for implementation, working with stakeholders and partners
- Monitor implementation progress and evaluate the impact using ward structures.

6 SECTION F – PERFORMANCE MANAGEMENT SYSTEM

6.1. Introduction

ELM's PMS is divided into two, i.e. institutional and individual. The institutional PMS is managed in the PMS, Monitoring & Evaluation Unit in the Office of the Municipal Manager and the individual PMS is managed in the Corporate Services Department. The municipality has since migrated from a manual PMS System to an automated system and has cascaded performance management to lower levels until Task Grade 09. This process necessitated the review of the municipality's PMS Policy. The PMS review process has taken place and the reviewed PMS Policy has been adopted by the municipal council. ELM conducts quarterly, mid-term and annual performance reviews for all employees on performance management and performance bonuses are therefore paid to all deserving individuals. At the end of every quarter, departments and individuals on performance management system upload their reports backed by supporting evidence on the system, which are then verified and assured by the PMS Unit for correctness. After the assurance process is completed Internal Audit Unit performs its audit function before the performance reports are submitted to the Audit Committee, EXCO and Council.

In terms of the Municipal Planning and Performance Management Regulations (2001), the Performance Management System:

“entails a framework that describes and represent how the municipality's cycle and processes of performance planning, management, measurement, review, reporting and Improvement will be conducted, organised and managed including determining of roles of different role players”

Accepting this definition as contained in the Act, the ELM has reviewed and adopted its PMS Policy to drive towards the following objectives:

- To give effect to the legislative obligations of the ELM in an open, transparent and focused manner;
- To incorporate the already implemented performance management processes applicable to Section 57 Managers and how these relate to and link with the system in a holistic, institution wide, policy;
- To provide a firm foundation from which to steer the process of performance management through all phases of implementation and devolvment; and
- To link and eventually to lock the IDP, the Budget and a Performance Management System in a cycle of prioritised, affordable and accountable municipal planning and effective service delivery involving all staff and the local community.
- The establishment of a system which translates the IDP into measurable objectives and targets;

- The institutionalisation of sound management principles ensuring effective and efficient governance of service delivery;
- Adequate provision for community consultation and the opportunity to have a clearer insight in the performance of the municipality; and
- The promotion of an accountable municipality.

6.2. Principles governing Elundini PMS

The following principles guided and informed the process of developing the Performance Management System for Elundini Municipality:

- Simplicity
- Politically acceptable
- Transparency and accountability
- Efficiency and Sustainability
- Consultation and Community Involvement
- Incremental Implementation

6.3. Role players in ELM Performance Management System

The roles and responsibilities regarding the implementation of PMS as contained in ELM policy for PMS is discussed in the table below:

Table 46: Role of Council:

PLANNING	MONITORING		
	REVIEW	REPORTING	PERFORMANCE ASSESSMENT
<ul style="list-style-type: none"> • Adopts priorities and objectives of the Integrated Development Plan • Adopts the municipal scorecard • Establishes the oversight committee for the purpose of the annual report. 	<ul style="list-style-type: none"> • Approves the annual review program of the IDP. • Approves the top level SDBIP. • Approves changes to the SDBIP and adjustment Budget • Approves any changes to the priorities, objectives, key 	<ul style="list-style-type: none"> • Report the performance of the municipality to the Community at least twice a year. (through a public Report). • Receives externally audited performance reports from the Executive Committee twice a year. • Approves the recommendations for the improvement of the PMS. 	<ul style="list-style-type: none"> • Approves the annual Audit Plan and any substantial standards to it.

ELM 2020 – 2021 DRAFT IDP

	performance indicators and performance targets of the municipality.	<ul style="list-style-type: none"> Annually receives report on the Municipal Manager and the s57 managers' performance. Submits the annual report to the MEC and Auditor General. 	
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Table 47: Role of Municipal Manager:

PLANNING	IMPLEMENTATION	MONITORING		
		REVIEW	REPORTING	PERFORMANCE ASSESSMENT
<ul style="list-style-type: none"> Submits priorities and objectives of Integrated Development Plan to Council for Approval. Approves Service Delivery and Budget Implementation Plan. Enters into Performance Agreement with Municipal Manager on behalf of the Council. Assigns the responsibility for the management of the PMS to the Municipal Manager. Tables the budget and the Top level SDBIP to Council for Approval. 	<ul style="list-style-type: none"> Manages the overall implementation of the IDP. Ensures that all role players implement the provisions of the role players Ensures that the Departmental scorecards serve the strategic scorecard of the municipality. 	<ul style="list-style-type: none"> Formulation of the annual review program of the IDP, including the review of KPI's and targets for consideration by Council and Executive Mayor. Formulation of the annual performance improvement measures. Quarterly and annually reviews the performance of Departmental Managers. 	<ul style="list-style-type: none"> Receives performance reports quarterly from the internal audit unit Receives performance reports twice a year from Performance Audit Committee. Submits annual report of the municipality to Council. 	<ul style="list-style-type: none"> Formulates response to the performance audit report the Auditor General and makes recommendations to the executive mayor.

Table 48: Role of S57 Managers:

PLANNING	IMPLEMENTATION	MONITORING		
		REVIEW	REPORTING	PERFORMANCE ASSESSMENT
<ul style="list-style-type: none"> Participate in the identification of IDP priorities and the whole IDP. Process. Participate in the Formulation and Revision of the municipal strategic scorecard. Participate in the formulation of the Top level SDBIP. Manages Subordinates performance measurement system. Enters into a performance agreement with the Municipal Manager. Reports quarterly to Municipal Manager. 	<ul style="list-style-type: none"> Manages the implementation of the SDBIP. Ensures that the annual programs are implemented according to the targets and timeframes agreed to. Implements performance improvement measures approved by the Executive Committee. Ensures that performance objectives in the performance agreements are achieved. 	<ul style="list-style-type: none"> Participates in the Formulation of the annual review of the KPI and targets. Annually reviews the performance of the department to improve the economy, efficiency and effectiveness of the departments. . Quarterly and annually evaluates the performance of the department Participates in Mid – Term Review. 	<ul style="list-style-type: none"> Submit quarterly departmental performance reports. 	<ul style="list-style-type: none"> Participates in the formulation of the response to the performance audit report of the Auditor-General and makes recommendations to the municipal manager. Participates in the formulation of the response to the recommendations of the internal auditor and PAC.

Table 49: Role of the Audit Committee:

PLANNING	MONITORING	
	REVIEW	REPORTING
<ul style="list-style-type: none"> Participates in the formulation of the annual audit plan. 	<ul style="list-style-type: none"> Review quarterly reports from the internal auditors. 	<ul style="list-style-type: none"> Reports twice a year to the Municipal Council.

The ELM does not have a separate Performance Audit Committee, institutional performance information is reviewed by the Internal Audit Unit and then submitted to the Audit Committee on a quarterly basis.

The KPIs and Targets of the S.57 managers was an essential first step in the implementation of performance management and laid the foundation for the devolvement of the KPIs and Targets process of the system down to the next level of management and thereafter to the entire workforce.

6.4. Performance Agreements with Sectional Heads

- Legislation places no obligation on a municipality to enter into performance agreements with sectional heads. However, the Council recognises such agreements as a logical further step to cement the PMS in the administrative executive component of the Municipality provided these agreements are in accordance with applicable legislation.

Culture and Work Situation

The ELM is committed to establish and maintain a culture and work situation conducive for the implementation and maintenance of a performance management system including regular performance appraisals and establishing a factual foundation for the system. The activities to be embarked on will, of necessity, be running concurrently with actual monitoring and measuring of performance and will include the following:

- ✓ To introduce the performance management system via an internal brief prepared by the Management Team, having consulted the Local Labour Forum (in its PMS Subcommittee should this be established) and approved by the Council.
- ✓ The brief will be circulated to all departments and employees via formal communication channels.
- ✓ The brief will inter alia explain the legislative obligations underlying the system, the process to be followed and the principles that will be adhered to by the Council.
- ✓ The system will be regularly reviewed and, in doing so, employee evaluations and constructive suggestions will, where possible, be incorporated to ensure the system is organisation-specific while adhering to the legislative framework.
- ✓ Amendments to the system will be communicated to departments and employees in the same manner as outlined above.
- ✓ To establish and maintain a factual basis for the performance appraisals, the job analysis of each position in the Municipality will be regularly updated with respect to line functional activities and linked to the relevant department's objectives and targets as derived from the IDP.
- ✓ Based thereon, the appraisors and appraisees will determine mutually agreed to performance criteria, based on a format designed and approved by the Corporate Services Department for standardisation and equality purposes.

The annual process of managing performance at organizational level in ELM involves the steps as set out in the diagram overleaf:



Figure 6: PMS

6.5. Planning for performance

The process of compiling an IDP and the annual review thereof constitutes the process of planning for performance.

6.5.1. Setting Key Performance Indicators

Many of the key performance indicators are prescribed in Section 10 of the Regulations and in terms of Section 43 of the Municipal systems Act. These are listed as:

- The percentage of households with access to basic level of water, sanitation, electricity and solid waste removal;
- The percentage of households earning less than R1100 per month with access to basic free services;
- The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's IDP;
- The number of jobs created through municipality's LED initiatives including Capital projects;
- The number of people from employment equity target groups employed in three highest levels of management in compliance with an approved employment equity plan;
- The percentage of a municipality's budget actually spent on implementing its workplace skills plan;
- Financial viability.

6.6. Alignment of the PMS to the IDP and Budget

The IDP fulfils the planning stage of Performance Management, which in turn fulfils the implementation, management, of IDPs. The last component of the cycle of OPMS is review, and the outcome of the performance review process must inform the next cycle of the IDP compilation/review. There are several components to the integration of the PMS.

PMS determines the visions of the municipality as well as its IDP priorities, objectives, performance management and budget, Council's priorities and objectives. They are based on community needs, the Constitutional mandate of Local Government, national legislation and the general KPIs within the framework of powers and functions of ELM. The Regulations for Municipal Managers and Managers directly accountable to the Municipal Managers (2006) 26(6) outlines five Key Performance Areas for Municipal Manager and the S57 Managers and these are as follows:

- ✓ Basic Service Delivery
- ✓ Municipal Transformation and Institutional Development
- ✓ Local Economic Development
- ✓ Municipal Financial Viability and Management; and
- ✓ Good Governance and Public Participation

The KPA's of the Elundini Municipality IDP 2014/2015 is being reviewed and will be aligned accordingly.

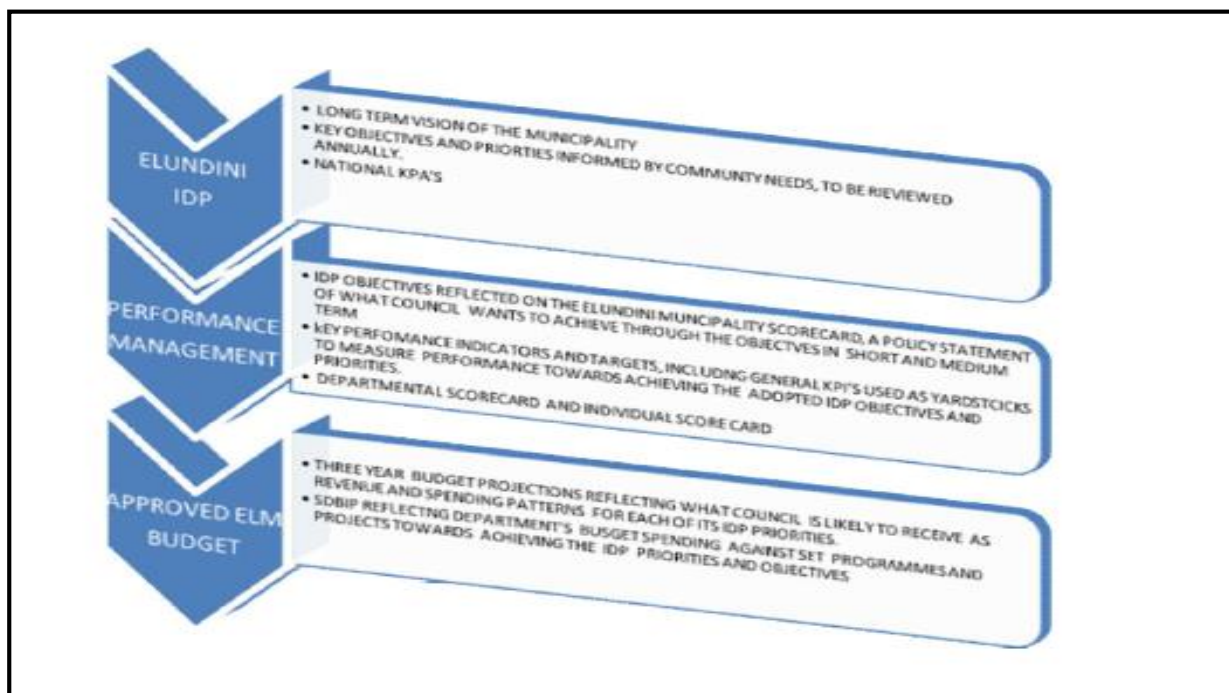


Figure 7: Linkage between IDP Budget & PMS

6.7. Tracking and Reporting Progress

- Since the municipality has migrated for the manual performance management system to an automated one, the Office of Municipal Manager through its PMS, Monitoring & Evaluation Unit, verifies the performance reports submitted by departments and develops quarterly reports which it submits to the Internal Audit Unit to perform audit of performance information and then submits them to the municipal manager, Audit Committee, Standing Committee, EXCO and eventually the municipal council.
- The Internal Auditors provide quarterly audit reports to the Municipal Manager and the Performance Audit Committee.
- The Audit Committee convenes at least four times per annum and four audit committee reports are submitted to the Council. These reports must include enough details so that early warning signals of underperformance can be detected. The reports must also indicate corrective measures where such under-performance has been identified.
- The Municipal Manager oversees the compilation of an annual performance report to the Council, which report is then also submitted to the Auditor General.
- Within one month of receiving the AG's audit report on the Performance Information and the Audited Financial Statements of the previous financial year, the Municipal Manager must submit to the Council a consolidated Annual Report for adoption. The media, community, AG and MEC must be informed of the meetings at which this report will be tabled. The minutes of the meeting/s should be provided to the Auditor General and the MEC. The adopted annual report must be made available to the media, public and interested parties and submitted to the MEC.

The Consolidated Annual Report to include:

- ❖ The Performance Report reflecting the:
 - ✓ Performance of the Municipality and any service provider based on the KPIs and specifying the extent to which targets were achieved;
 - ✓ Measurements taken or to be taken to improve performance;
 - ✓ Development and service delivery priorities and targets set for the following year and reasons for significant differences in these targets from the one to the other year;
 - ✓ A statement by the external auditor concerning the reasonableness of the report.
- ❖ Audited financial statements for the year
- ❖ Annual audit of the Auditor General on the PMS report
- ❖ Any other legislated matters for reporting.

6.8. Publication of Performance Reports

- ❖ The ELM publishes at least once a year a public report on its performance in terms of the MSA, 2000.
- ❖ Existing Public Participation Structures and mechanism for ELM which will be used include:
 - ✓ IDP Rep Forum
 - ✓ Youth & Women Groups
 - ✓ Disability Groups
 - ✓ Local Newspaper
 - ✓ Audio Media / Loud Hailers
 - ✓ Public Notices
 - ✓ Municipal Website

6.9. Public Feedback Mechanisms

The public Feedback on reported performance can be obtained if the public are aware of dedicated mechanisms for submitting feedback such as:

- ✓ Telephone numbers (toll free)
- ✓ Fax lines
- ✓ Emails
- ✓ Feedback boxes at Municipal Services offices

The Elundini will develop a comprehensive Communications strategy to among other things propose public feedback mechanism and structures for ELM. Upon its adoption this section will be read together with that policy and or strategy.

6.10. Performance Reviews and Assessments

Performance review is a process whereby the municipality, after measuring its own performance, assesses whether it is doing the right things and doing them right. The municipality is required to identify strengths, weaknesses, opportunities and threats of the municipality in meeting the key performance indicators and performance targets set by it. The Municipal Manager utilises Institutional Scorecard as a basis for reporting to the Mayor, Council and most importantly to the Public through quarterly reports, Mid-Year assessments, Annual Report and performance assessment.

The review framework for Elundini Municipality is conducted based on the following:

- ❖ Baseline Indicators – this entails assessing whether the current level of performance is better than the previous year by using baseline indicators.
- ❖ Community Feedback – survey to obtain feedback from the community about their views of the performance of the municipality in one PMS cycle.
- ❖ Performance Review in ELM will take place annually at least a month after all Performance Information (PI) has been audited and Auditor Report issued on PI.
- ❖ In the review process, a careful analysis of the municipality performance will be done in order to understand why it has performed well or underperformed in that particular financial year.
- ❖ The results of the review will be used to develop measures to improve performance and inform the planning stage of the following years' institutional scorecards and annual programs.
- ❖ The lines of accountability with regard to Performance Review can be summarized as follows:
 - ✓ Managers/Sectional Heads will review performance of their respective functions or sections on a regular basis and should cover all the organisational priorities relevant to the function or section
 - ✓ Executive Management:
 - Review performance quarterly to minimise risks and poor performance.
 - Review performance before reporting to the Executive Committee. This will enable them to prepare and control the quality of performance reports and include adequate response strategies in cases of poor performance.
 - ✓ Executive Committee: As the delegated authority for the management of development of the performance management system in terms of the Act, the Executive Committee plays a most significant role in reviewing the performance of the administration. Review at this level should be strategic and not restrained by operational discussions. The content of the review should be confined to agreed or confirmed priority areas and objectives.
 - ✓ Standing or Portfolio Committees need to review the performance of functions or sections according to their assigned portfolios on a regular basis, i.e. quarterly.
 - ✓ Council should review the performance of the municipal council, its committees and the administration at least twice per year.
 - ✓ The public: It is required by the Act and the Regulations published in accordance therewith, that the municipality secure community participation in the review process. This could ideally be done when the annual report is compiled at the end of the financial year.

6.11. Monitoring and Measurement Framework

Monitoring is a continuous process of measuring, assessing and analysing and evaluating the performance with regard to the SDBIP, KPI's and targets. Performance measurement is essentially the process of analysing the

data provided by the monitoring system in order to assess performance. The preferred and adopted model for Performance Management in Elundini Municipality is the Municipal Scorecard Model.

According to this model, in measuring performance municipalities need to look at:

- ❖ Inputs: (Resources, Financial Perspective)
- ❖ Outputs: (Results, Service Delivery Perspective)
- ❖ Outcomes: (Impact, Customer satisfaction, growth, Quality of Life)

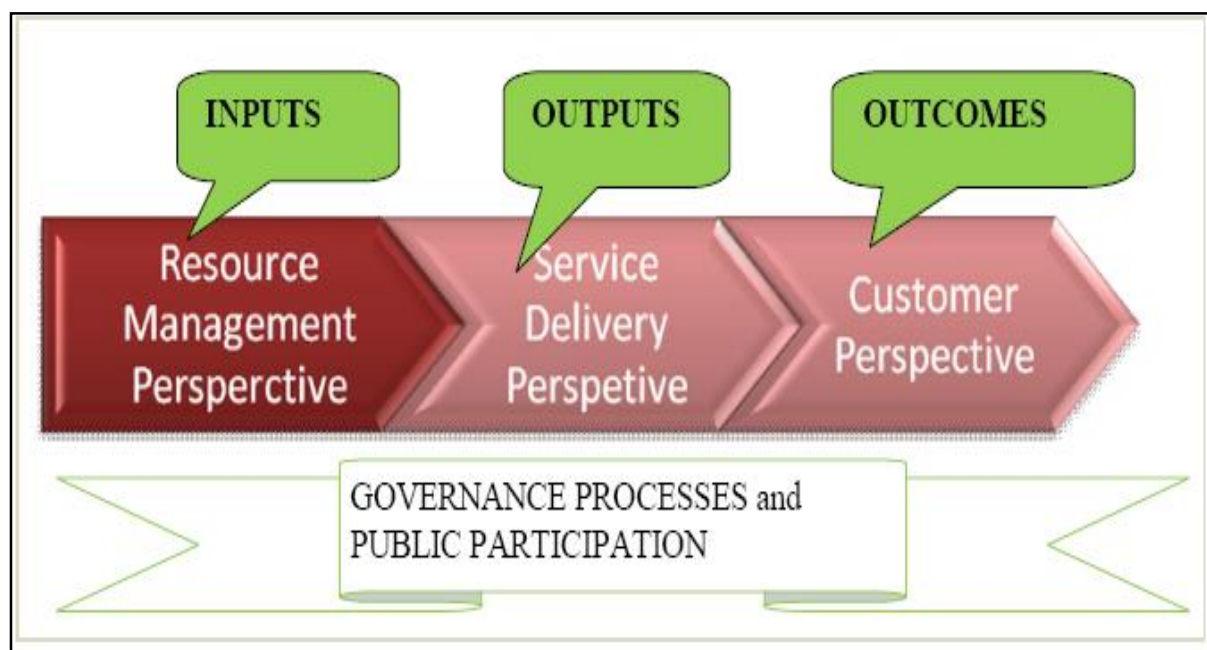


Figure 8: Governance Process and Public Participation

6.11.1. Performance Audit

The Municipal Planning and Performance Management Regulations, 2001, require municipalities to develop and implement mechanisms, systems and processes for auditing results of performance measurements as part of its auditing processes:

- ❖ Internal Auditors audit on a continuous basis which will result in quarterly reports being submitted to the Municipal Manager;
- ❖ Audit Committee receives quarterly reports from the Internal Auditors which it reviews together with PMS's economy, efficiency, effectiveness and impact based on the KPI's and Targets;
- ❖ The Audit Committee must submit at least two audit reports to the Council in a financial year.

6.11.2. Evaluation

- ❖ In terms of the adopted PMS, the Municipal Manager evaluates the quarterly performance reports from the S.57 Managers and use them to inform the steps to be taken to improve performance to meet annual targets and to intervene in case of red flag situations.
- ❖ The Municipal Manager must submit a consolidated quarterly report to the Internal Auditors. The Auditors must evaluate these reports together with other information obtained through their auditing obligations and in turn must provide the Municipal Manager with quarterly Audit Reports.
- ❖ The Municipal Manager then submits such reports as prescribed to the Council including a consolidated annual report for adoption by the Council.
- ❖ The Council must assess the performance of the Municipal Manager and S.57 Managers during June/July of each year with the assistance of an independent facilitator as further detailed in their performance agreements.
- ❖ The S.57 Managers must evaluate the quarterly performance reports from the Sectional Heads and use these to inform their own quarterly reports to the Municipal Manager.

6.12. Employee Performance Appraisal

- The performance appraisal of the Managers/ Sectional Heads will be the responsibility of the S.57 Managers with the assistance of an independent facilitator.
- These appraisals will be done on an annual basis as further detailed in the performance agreements of Managers and Sectional Heads prior to the Council's appraisal of the S.57 Managers.
- The S.57 Managers and Managers must ensure performance appraisal interviews are done on a regular basis by the appraisers within their respective departments/sections as further set out below, co-ordinate the results thereof and through their own quarterly reports report on the progress with implementation of the system, successes and failures thereof and problems experienced.
- Managers will be responsible for the performance interviews with their respective middle management employees.
- The first round of assessments executed for middle management staff could be done with the assistance of an independent facilitator should the staff so prefer.
- Thereafter the option of requesting a co-appraiser to be present at their interviews will be available to these employees.
- The appraisals of lower level employees must be carried out by their immediate supervisor or line manager who has the best knowledge of the content of the job concerned and in a position to observe the employee's performance on a daily basis.

- If no suitable supervisor or line manager is available to do the performance appraisal, the head of the section must take responsibility for the performance appraisal.
- If an employee is of the opinion that exceptional circumstances exist which requires a co-appraiser to be present at the appraisal interview, the matter must be taken up with the relevant S.57 Manager. In such circumstances the S.57 Manager or the S.57 Manager of the CSD could also fulfil the role of a co-appraiser.
- The first formal performance appraisals of a staff level will take place three months after introduction of the system to such a staff level and thereafter on an annual basis.
- The steps to be taken to rectify substandard performance or enable continued support, coaching and counselling based on the results of the performance appraisals will be implemented on a continuous basis determined by the circumstances of each individual case. These performance meetings must be of a more informal nature but still recorded in writing.
- The time and place of annual interviews must be mutually agreed between the appraiser and appraisee. An employee must not be given less than two weeks to prepare for the appraisal interview. The time allowed for the actual interview will vary according to the complexity of the job and each individual's circumstances.
- The place where a performance interview is conducted must be comfortable for both the appraiser and the appraisee and care must be taken that the place is quiet, no interruptions will occur during the duration of the interview and confidentiality is protected.
- Written feedback on the annual performance appraisal must be given to an employee within a reasonable period after the performance interview. A reasonable period would not exceed four weeks.

6.13. Performance Improvement

Although the municipality should strive to continuously improve performance to meet the needs of communities, it is poor performance that needs to be addressed as a matter of priority:

- The Council must advise the Municipal Manager on steps to be taken to improve performance based on the Auditor General's assessment. The IDP review process must provide a barometer of how well the Municipality performed in terms of service delivery and, if as prescribed, the community is provided with the Consolidated KPIs and Targets document, the latter could serve to inform the community's input in the review process.
- The training needs of staff, originating from their performance appraisals shall be fed into the Workplace Skills Plan and addressed by the sourcing of relevant providers and training courses to largely address the internal capacity shortcomings of the Municipality.

6.14. Performance Incentives and Rewards

- The municipality has reviewed its performance management system in 2018 to accommodate the performance rewards to the deserving lower level staff.
- The performance reward system of the Municipal Manager and the S.57 Managers is built into their contracts of employment and performance agreements as prescribed by the Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, 2006.
- The Council adopted the Rewards and Incentives Policy and this policy necessitates the existence of performance agreements with employees who may benefit from such a policy.

6.15. Institutional Scorecard 2020/2021

Below is the draft municipal scorecards (top layer SDBIP for 2020/2021 financial year) linked to the IDP:

Table 50: Draft SDBIP 2020 -2021

Will insert that draft 2020/2021 SDBIP once finalized and will be replaced by the final SDBIP once it has been approved by the Mayor:

7 SECTION G – PROJECTS LIST

7.1. MIG Three Year Capital Implementation Plan										
Project No	Project Name	Ward No	EXTENT OF WORKS	STATUS	Project Value	REGISTRATION STATUS (YES/NO)	FUNDER	MTEF ALLOCATIONS: 2018/19 - 2020/21		
								2019/2020	2020/2021	2021/2022
								R 38 948 000,00	R 38 703 000,00	R 41 862 000,00
1.	Project Management Unit	-	-		-		MIG	R 1 947 400,00	R 1 935 150,00	R 2 093 100,00
2	Upgrading of Sonwabile Streets - Phase 2	3	2.2km	Construction	R 9 133 672,66	Yes	MIG	R 3 500 000,00		
3	Construction of Ilisolomzi Community Centre	9	1 Unit	Construction	R 4 500 000,00	Yes	MIG	R 450 000,00		
4	Upgrading of Sithole Streets & Stormwater	3	3km	Construction	R 11 731 757,21	Yes	MIG	R 1 406 433,34		
5	Hopedale Sportsfield	5	1 Unit	Construction	R 1 780 096,50	Yes	MIG	R 500 000,00		
6	Upgrading of Vincent Streets & Stormwater	17	3.7km	Construction	R 16 423 057,06	Yes	MIG	R 3 074 338,34		
7	Liphofung access road	15	13.5km	Construction	R 10 125 000,00	Yes	MIG	R 5 615 402,64		
8	Construction of T83 to Platana Access Road & Bridge	4	1	Construction	R 4 485 000,00	Yes	MIG	R 2 000 000,00		
9	Construction of Ntabayikhonjwa Access Road	12	6km	Construction	R 9 302 105,49	Yes	MIG	R 3 559 289,37		
10	Lower Tsitsana Community Centre	4	1 Unit	Construction	R 4 500 000,00	Yes	MIG	R 1 500 000,00		
11	Construction of Ugie Sports Field	2	1 Unit	Construction	R 12 781 750,85	Yes	MIG	R 1 500 000,00		
12	T83 to Upper Tsitsana Access Road	4	12.02km	Construction	R 7 424 724,90	Yes	MIG	R 6 480 424,90	R 500 000,00	
13	Koebong Access Road	13	7.1km	Construction	R 6 246 225,00	Yes	MIG	R 4 700 000,00	R 500 000,00	

ELM 2020 – 2021 DRAFT IDP

14	Upgrading & Rehabilitation of Maclear Roads (Cluster 1 Roads) - Phase 1									
15	Upgrading & Rehabilitation of Maclear Roads (Cluster 1 Roads) - Phase 2	3	3.99km	Design	R 31 527 721,71	Yes	MIG	R 2 714 711,41	R 10 985 000,00	R 11 349 743,85
16	Construction of Lehlakaneng Access Road	12	TBC	Design	TBC	Yes	MIG			R 3 692 520,07
17	Lower Sithana	5	TBC	Design	TBC	Yes	MIG		R 4 275 044,00	R 2 902 909,49
18	Construction of Castle Rock Access Road & Bridge	8	TBC	Design	TBC	No	MIG		R 2 830 699,93	R 4 034 308,95
19	Construction of Phumolong/Mabambeni Pre-school	8	TBC	Design	TBC	Yes	MIG		R 2 494 586,00	
20	Construction of Skote Community Hall for ward 10	10	1 Unit	Design	TBC	Yes	MIG		R 3 670 000,00	
21	Construction of Refele Sport Field	14	TBC	Design	TBC	Yes	MIG		R 7 181 820,14	R 3 338 179,86
22	Mount Fletcher Streets and Stormwater (Nkululekweni)	9	TBC	Planning	TBC	No	MIG		R 2 830 699,93	R 3 664 750,00
23	Construction of Lower Tsitsana ECDC	4	1 Unit	Planning	TBC	No	MIG		R 1 500 000,00	R 1 000 000,00
24	Construction of Mdeni Community Hall for ward 16	16	1 Unit	Planning	TBC	No	MIG			R 4 500 000,00
25	Thutsing Access Road	14	TBC	Planning	TBC	No	MIG			R 5 286 487,78
26	Seqobong Access Road and Causeway	13	TBC	Planning	TBC	No	MIG			
27	Surfacing of Ugie Streets & Stormwater	2	TBC	require business plan	TBC	No	MIG			
28	Surfacing of Greenfields Streets & Stormwater	17	TBC	require business plan	TBC	No	MIG			
29	Construction of Xaxazana Sport Field	10	TBC	Require Business Plan	TBC	No	MIG			

ELM 2020 – 2021 DRAFT IDP

30	Construction of Chevy Chase Access Road	16	TBC	require business plan	TBC	No	MIG			
31	Tembeni housing project: infrastructure	9	TBC	require business plan	TBC	No	MIG			
32	Community Hall for ward 12 at Kinira Poort	12	1 Unit	Require Business Plan	TBC	No	MIG			
33	Community Hall for ward 05	5	1 Unit	Require Business Plan	TBC	No	MIG			
34	Community Hall for ward 06	6	1 Unit	Require Business Plan	TBC	No	MIG			
35	Community Hall for ward 08	8	1 Unit	Require Business Plan	TBC	No	MIG			
36	Community Hall for ward 11	11	1 Unit	Require Business Plan	TBC	No	MIG			
37	Community Hall for ward 13	13	1 Unit	Require Business Plan	TBC	No	MIG			
38	Community Hall for ward 14	14	1 Unit	Require Business Plan	TBC	No	MIG			
39	Community Hall for ward 15	15	1 Unit	Require Business Plan	TBC	No	MIG			
TOTAL FOR MIG PROJECTS								R 38 948 000,00	R 38 703 000,00	R 41 862 000,00

ELM 2020 – 2021 DRAFT IDP

7.1.1. 2020 – 2021 IMPLEMENTATION PLAN (will include once finalized)

7.1.2. 2020 – 2021 INEP PLAN (Will include once provided)

7.2. Provincial Allocations per DORA

7.2.1. Indicative National Grants Allocation as Per DORA

Table 51: Indicative National Allocation as Per DORA

Grants	Direct/Indirect	2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)
EQUITABLE SHARE	Direct	138 382	149 117	160 009
Energy Efficiency and Demand Side Management Grant	Direct	5 000	8 000	8 000
Local Government Financial Management Grant	Direct	1 700	1 700	1700
Expanded Public Works Programs Integrated Grant for Municipalities	Direct	1 777	0	0
Municipal Infrastructure Grant	Direct	38 207	38 948	40 997
Integrated National Electrification Program Grant (Municipal)	Direct	25 636	19 200	19 154
Integrated National Electrification Program Grant (Eskom)	Indirect	56 672	46761	49 333
TOTAL		267 374	263 726	279 193

7.2.2. Provincial Indicative Allocation

Table 52: Provincial Indicative Allocation

GRANTS	Direct/Indirect	2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)
Small Town Revitalization Grant	Direct	29 588	20 305	14 521
Small Town Revitalization Program – Wool Shearing Sheds	Direct	500	0	0
Library Subsidies	Direct	750	838	884
TOTAL		30 838	21 143	15 405

7.3. Planned projects by the Department of Human Settlements

Table 53: Human Settlement Projects under consideration

Project Name	Allocated Budget	Status
Ugie 1456, 664 & 250 (Ward 2 & 17)	R 0	<ul style="list-style-type: none"> • MEC priority to curb huge unoccupied houses. (Constructed in the 2002/03 FY); • ELM conducted 3 months advert, Report is pending • ELM has not yet issued a report on the Ugie process Plan
Popcorn Valley	R 0	<ul style="list-style-type: none"> • Area declared as wetland; • Elundini was requested to identify alternative Serviced Land

Table 54: Human Settlement Running Projects

Project	Progress	Challenges	Intervention
Sinxako 486 (Tamandla Cifu Construction) Ward 6	Slabs - 131 Walls – 104 Roofs – 96 Finishes - 87 Completions – 87 Budget =R 14 772 000.00 Expenditure R 6 586 853.00	<ul style="list-style-type: none"> • Vastness of sites that are in Rural Villages delays the project. • Poor resources of the project • Inclement weather 	SP advised to beef up is capacity More sub-contractors are to be appointed by the service provider Contractor has submitted an extension request. HOD approved 7 months extension
Joe Gqabi 500-Emergency (20 subs Phase 3) Elundini Ward 5, 6, 14	Slabs - 0 Walls - 0 Roofs - 0 Completions – 0 Budget =R 3 482 316.40 Expenditure= R 0	Delays with the enrollment of the project as NHBRC introduced new standards	<ul style="list-style-type: none"> • The Regional Office engage NHBRC to clarify issues Consensus reached. • Contractor expected to start in April 2020

Table 55: Elundini Blocked Projects from Human Settlement

Project	Progress	Challenges	Intervention
Mount Fletcher – Enkululekweni 707 (Ward 15)	105 approved beneficiaries to date.	<ul style="list-style-type: none"> ✓ Mix of low and high income household on the project location (in-situ) ✓ Land Invasion 	<ul style="list-style-type: none"> ✓ Project is proposed to be part of Ethembeni 1164/2400 ✓ Require alternative land by LM
Mount Fletcher – Katlehong 303 (Ward 9)	225 approved beneficiaries to date	<ul style="list-style-type: none"> ✓ Mix of low and high income household on the project location (in-situ) ✓ Land Invasion 	<ul style="list-style-type: none"> ✓ Project is proposed to be part of Ethembeni 1164/2400 ✓ Require alternative land by LM
Mount Fletcher – Isolomzi 250 (Ward 9)	81 approved beneficiaries to date	<ul style="list-style-type: none"> ✓ Mix of low and high income household on the project location (in-situ) ✓ Land Invasion 	<ul style="list-style-type: none"> ✓ Project is proposed to be part of Ethembeni 1164/2400 ✓ Require alternative land by LM

Table 56: New Approved Projects by Human Settlement (Not Yet Started = MEC Resolution only)

PROJECT	WHY NOT STARTED YET	DATE OF IMPLEMENTATION
Mbidlana 300 (Ward 17)	Budget / cash flow limitations have prevented the initiation of the new projects.	2020/2021 Or 2021/22, Pending MEC Budget Confirmation/ Allocation
Mqokolweni 305 (Ward 6)	Budget / cash flow limitations have prevented the initiation of the new projects.	2020/2021 Or 2021/22, Pending MEC Budget Confirmation/ Allocation
Koebong 290 (Ward 13)	Budget / cash flow limitations have prevented the initiation of the new projects.	2020/2021 Or 2021/22 However Koebong 290 is projected to start in April 2020
Tembeni Housing Project (1164)	<ul style="list-style-type: none"> • Insufficient Bulk Capacity • Budget Constraints 	2020/2021 OR process can be confirmed once JGDM outlined projected timeline on availability of Bulk

The DoHS in its endeavors in building more houses is confronted by the following challenges:

- ✓ Shrinking Fiscus- HSDG allocation is diminishing every year
- ✓ Over-reliance on Subsidy (RDP) conventional approach,
- ✓ Backlog on approved Beneficiaries whose houses have not been constructed due to budget constraints,

- ✓ Growing Disaster Cases vs interpretation vs limited emergency assistance / interventions,
- ✓ Lack of Material supply within Joe Gqabi Region / District,
- ✓ High Expectation vs understanding of Emergency assistance on Disaster / emergencies/ Destitute

7.4. Planned projects by the Department Public Works

7.4.1. New Projects

Project Name	Intended Outcome	ward/village	Project Start - Project Finish	Approved budget (2019/20 FY)	Progress and expenditure
Mount Fletcher Cluster Office	Office accommodation for DoE DRDAR	Mt Fletcher	June 2020 to Dec 2023		Being advertised

7.4.2. Construction of Schools

Project Name	Project Description	Value (R)	Location (Ward)	Status
Dinizulu Senior Secondary School	Construction of Senior Secondary School	R 38,250,560.45	Ugie	Delayed due to non-payment by DoE
Ilingeletu ECDC	Construction of the Early Childhood Dev. Centre	R 12, 455, 651.09	Mount Fletcher	Delayed due to non-payment by DoE
Mhlontlo JSS	Construction and refurbishment to Public School	R 22, 150,200.00	Mount Fletcher	Delayed due to non-payment by DoE

7.4.3. EPWP Programmes

Project	Number recruited	Start Date	End Date	Location
APTCOD	05	06/01/2020	31/03/2022	4 Mount Fletcher 1 Ugie
NYS	04	01/02/2020	30/08/2021	Mount Fletcher
BMP	30	01/02/2020	31/03/2021	Mount Fletcher

7.5. Progress on Elundini Electrification

Table 576: Electrification Progress

Project Name	Budget	Expenditure Amount	Progress to date
Rural Electrification (Ntushuntushu Village)	5,700,000.00	3,299,221.88	11%
Rural Electrification (Mission Village)	8,970,000.00	6,849,317.66	9%
Rural Electrification (Moroka Village)	5,020,000.00	3,743,314.73	70%
Rural Electrification (Embizeni Village)	1,700,000.00	1,680,629.39	0
Rural Electrification (Castle Rock Village)	980,000.00	647,971.42	0
Rural Electrification (Batlokoa Link Line)	4,250,000.00	2,199,976.32	45%
Makhatlaneng (Intervention project COGTA)	4 000 000	3 118 563.75	92%
Smart Metering	R3,270,351.25	R436,266.25	29%

7.6. Programs by Department of Rural Development and Land Reform

Table 58: Food Security 2020/2021

Project	Commodity	Extent	Project costs
Cropping	Grain and fodder	1785 hectares	R 5 709 000-00
House Hold Food Security	Homestead garden inputs	1633 beneficiaries	R 979 800-00

Table 59: Infrastructure 2020/2021

Project	Activity	Location	Commodity	Project Costs
Wellaway farm	Large stock handling facility	Maclear	Beef	R 450 000
Wellaway farm	Supply and delivery of boundary and arable lands fence (9km)	Maclear	Beef	R 450 000
Sambudla farm	Supply and delivery of boundary and arable lands fence (14km)	Ugie	Beef and Grain	R 630 000
Sambudla farm	Renovation of multipurpose shed	Ugie	Beef and Grain	R 450 000
Hillside farm	Supply and delivery of boundary and arable lands fence (23km)	Maclear	Beef and Grain	R 1 000 000

ELM 2020 – 2021 DRAFT IDP

Pirintsu	Multipurpose shearing shed with equipment	Mt Fletcher	Wool	R 1 100 000
Magwaca	Supply and delivery of boundary and arable lands fence (5,516km)	Maclear	Grain	R 250 000-00
Ilungelo lethu (Ramatee)	Multipurpose shearing shed with equipment	Maclear	Wool	R 1 100 000
Magwaca	Wage payments to casual workers for supply and delivery of fencing material for arable land fencing (5.516 km) at Magwaca	Maclear	Grain	R 55 000

Table 60: Land Care 2020/2021

Area	Operations	Jobs Targeted	Project Costs
Chevy chase land care project	<ul style="list-style-type: none"> Wattle eradication Grass re-establishment Conservation Agriculture (C.A.) maize planting 	24	R 1 800 000

7.7. Electrification program

Table 61: Electrification Backlog

Estimated Outstanding Number of Household Connections	Comments
12 566	GPSing of outstanding historical backlogs to be done by the municipality to consolidate the household numbers

Table 62: Electrification Plan for 2020/2021 by ESKOM

Projects	Planned No. of Connections	Estimated Costs	Villages (Based on available funding)	Projects Type
Amahlubi 02	150	R 3 900 000	Vuvu (Portion) (150)	Households
Amahlubi 02 Line Line		R 1 960 000		Infrastructure – Line
Amahlubi 02 Pre-eng (2020/2021)		R 1 066 000		Pre-Engineering
Batlokoa 03	100	R 2 400 000	Diphofung (100)	Households
Batlokoa 03 Link Line		R 1 180 000		Infrastructure – Line
Bakoena 07 Pre-eng (2020/2021)				Infrastructure – Line
Batlokoa 02 SP	300	R 7 500 000	Bethany/Ditaung (300)	Households
Batlokoa 02 SP Link Line		R 2 950 000		Infrastructure – Line

ELM 2020 – 2021 DRAFT IDP

Batlokoa 02 SP Pre-eng (2020/2021)		R 1 025 000		Pre-Engineering
Elundini Extensions	200	R 4 800 000	Mbeki (200)	Households
Elundini Extensions Link Line		R 1 475 000		Infrastructure – Line
Elundini Phase 4	400	R 9 600 000	Chevy-Chase (236); Ketekete (164)	Households
Elundini Phase 4 Link Line		R 2 065 000		Infrastructure – Line
Batlokoa 02 SP Pre-eng (2020/2021 Plan)		R 246 000		Pre-Engineering
Elundini Phase 4 Pre-eng (2020/2021 Plan)		R 1 660 500		Pre-Engineering
Elundini Phase 3 Link Line				Infrastructure – Line
Elundini Extensions Pre-eng (2021/2022 Plan)		R 1 141 000		Pre-Engineering
Elundini Schedule 5B		R 1 095 000		Pre-Engineering
Elundini Type 1 Infills	100	R 600 000	Various villages within the municipality	Infills
TOTAL	1 250	R 44 663 500		

7.8. Projects/Programs by the Department of Social Development

Table 63: Projects Funded: 2020/2021

SOCIAL WELFARE SERVICES						
Sub-Programme	Services rendered	No of Projects	Ward	Allocated Funding 20/21	Beneficiaries	Work Opportunities
Disability	Residential Care	1	9	R 655 187	20	10
Older Person	Community Based Service Centres	18	1, 2, 7, 11, 14, 13, 10, 11, 16, 6, 5, 3 and 15	R 1 482 588	429	18
HIV/AIDS	Community Based Care	3	1, 13 and 11	R 774 519	8700	30
VEP	CBS to Victims of Crime and Violence	7	3, 9, 10 and 15	R 1 486 630	-	43
Substance Abuse	Preventative Programmes to Youth in and Out of School	1	All wards	R 774 519	2300	6

CHILDREN AND FAMILIES						
Sub-Programme	Services rendered	No of Projects	Ward	Allocated Funding 20/21	Beneficiaries	Work Opportunities

ELM 2020 – 2021 DRAFT IDP

Families	Family Based Services	1	1	R 140 643	1100	6
ECD (Equitable)	Development, Protection, Care and support	54	1, 2, 3, 4, 5, 6, 7, 16, 8, 9, 10, 11, 12, 13, 14, 15 and 16	R 6 592 872	1469	64
ECD (Conditional)	Development, Protection, Care and support	13	2, 9, 14, 10 and 17	R 1 009 800	225	8
DI C	Community Based Services	1	15,	R 169 256	48	2
PEIP	Community Based Services	3	2, 6 and 14	R 611 724	1800	18

COMMUNITY DEV & RESEARCH

Sub-Programme	Services rendered	No of Projects	Ward	Allocated Funding 20/21	Beneficiaries	Work Opportunities
Sustainable Livelihood (Poverty Alleviation)	House Hold Foods Gardens & CNDC	4	1, 2, 6 and 16	R 676 652	167	4

7.9. Projects by the DEDEAT

Table 64: DEDEAT Projects

PROJECT	SECTOR	AMOUNT
Ntonjana Sewing Co-Op	Manufacturing	R250 000.00
Ulundi Steel Co-Op	Manufacturing	R500 000.00
Mafati Agricultural Co-Op	Agriculture	R295 000.00
Elundini Shearing Shed	Agriculture	R500 000.00

Table 74: DEA Projects

Project Name	Project Type	Project Description	Project Status	FUNDING		DURATION		Number of Job Opportunities
				Funding Organization	Budget	Start Date	End Date	
Tsitsana Working for Water	Working for Water	Control of alien invasive plants and restoration of degraded land to improve ecosystem functioning	Under implementation	DEA – NRM	R 2 246 345	01/04/2020	31/03/2021	72
Ntabelanga Working for Ecosystems	Working for Ecosystems	SA through DWS is planning to build two dams as part of the Umzimvubu Water Project. The dams are intended to supply water to 3 District Municipalities, viz. Joe Gqabi, O R Tambo and Alfred Nzo. Restoration	Under implementation	DEA – NRM	R 4 150 074	01/04/2020	31/03/2021	88

ELM 2020 – 2021 DRAFT IDP

		of the catchment is seen as both improving livelihoods and lengthen the lifespan of dams. Clearing alien invasive plants, fire control and management, restoration of degraded land and applying sound rangeland management						
Good Green Deeds Project/Youth Community Outreach Program for: Elundini LM	Youth Environmental Services	✓ The project is aimed at encouraging better environmental management practices through street cleaning, clearing of illegal dumps and public open spaces as well as the conducting of environmental education with the following deliverables:	Under implementation	DEA – EPIP	R 6 787 330. 32	01/01/2019	31/12/2021	69

ELM 2020 – 2021 DRAFT IDP

		<p>recruitment and placement of participants, street cleaning and clearing of illegal dumps, Education and Awareness campaigns, Non-accredited training to participants</p> <p>✓ The expected outcomes of this programme is active participation of communities in environmental management, awareness about conservation and sustainable use of the environment, improved waste</p>						
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ELM 2020 – 2021 DRAFT IDP

		management, patriotism, active participation of youth in environmental management, socio-economic opportunities for youth (work opportunities, SMME development and skills development). The program will commence in 2018 and will run for a period of three years.						
Working for Wetlands project	Working for Wetlands	To conserve and sustainably rehabilitate degraded land within the District Municipality boundary in order to enhance ecosystem services and support the	Under implementation	DEA – NRM	R 9 135 494	March 2018	March 2021	104

ELM 2020 – 2021 DRAFT IDP

		<p>integrity of district's and South Africa's natural resources. To sustainably protect, manage and rehabilitate degraded wetlands and land in order to:</p> <ul style="list-style-type: none"> ✓ Restore or increase core functions of degraded wetlands; ✓ Increase base flows and thus improving water flow; ✓ Improve water quality and quantity; ✓ Increase biodiversity; ✓ Increase retention of water in catchment areas; ✓ Improve vegetation cover in catchments; 						
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ELM 2020 – 2021 DRAFT IDP

		✓ Reduce runoff and erosion						
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7.10. Projects/Programs by the Department of Rural Development and Agrarian Reform

Table 75: DRDAR Projects

INFRASTRUCTURE				
Commodity	Project Name	Ward	Description of project/program (e.g. activities/commodities)	Total cost of project
Maize	Lower Ngxaza	5	Erection of Arable Land Fencing (2.779 Km) In Communal Area For The Production Of Maize	R 210 000
	Mboniseni	2	Erection of Boundary Fencing (4.950 Km) on Land Reform Farm Producing Maize and Red Meat	R 395 000
	Sondernaam	4	Construction of a Multipurpose Shed (Storage Facility) with holding Kraals and Shearing equipment on a privately owned farm producing maize and wool	R 850 000
TOTAL				R 1 455 000
Red Meat	Colon PTN 3	8	Erection of boundary and internal fencing (27.458 Km) on Land Reform Farm producing red meat	R 890 000
	Bisset Vrede	8	Erection of boundary fencing (13.432 Km) on Land Reform Farm producing red meat	R 468 000
TOTAL				R 1 358 000
Live stock	Chevy Chase Land Care		Supply and delivery of fencing material for 6 km of fencing of eradicated rangeland areas	R 275 000

ELM 2020 – 2021 DRAFT IDP

TOTAL											R 275 000
GRAND TOTAL											R 3 088 000

7.11. Joe Gqabi District Municipality – 3 Year Infrastructure Plan (2019/20 – 2021/22)

Table 76: Joe Gqabi Three Capital Plan

N o.	PROJECT NUMBER	PROJECT NAME	PROJECT SCOPE	WORK OPPORTUNITIES TO BE CREATED	PROJECT TYPE: WATER SANITATION ROADS SOLID WASTE. STREET LIGHTING. PUBLIC MUNICIPAL SERVICES	Project Status for example Not yet registered Design and Tender Construction indicate for any status	APPROVED BUDGET	SOURCE OF FUNDING	BUDGET IMPLICATION	Projected Expenditure for 2019/20(Revised) (Incl. VAT)	Projected Expenditure for 2020/2021 (Incl. VAT)	Projected Expenditure for 2021/2022 (Incl. VAT)
		MIG										
1	W/EC/10960/14/18	Prov. of Bulk Water Infrastructure for the Town of Ugie Phase B	Construction of Ugie Dam, 3 storage reservoirs, upgrading of WTW and	60	Water	Tender	R 143 188 982	MIG	CAPITAL	R 4 000 000	R 7 000 000	R 0

ELM 2020 – 2021 DRAFT IDP

			reticulati on in Ugie, in order to provide raw water storage to supply Ugie and possibly supply Maclear. Increase water supply for Ugie									
5	S/EC/142807/ 16/18	Elundini Rural Sanitation Programme: Phase 4&5	Construc tion of VIP toilets in Elundini LM to address the sanitatio n backlog	100	Sanitatio n	Constructi on	R 46 139 223	MIG	OPERATI ONAL	R 25 000 000	R 15 000 000	R 13 259 950
6	W/EC/14718/ 17/23	Elundini Rural water Programme (ORIO)	Construc tion of Water supply infrastruc ture (Reservo irs, Break Pressure Tanks, Borehole pump houses, Spring Protectio ns, pipework) for 107	500	Water	Tender	R 143 813 803	MIG	CAPITAL	R 10 024 600	R 16 000 000	R 0

ELM 2020 – 2021 DRAFT IDP

			villages in Elundini to address water historic backlog									
8	W/EC/12333/11/18	Maclear Water Treatment & Distribution Upgrade (WTW & AC Pipe Replacement)	Construction of new 6ML WTW in Maclear and Replacement of old AC pipeline in Maclear CBD to address to the water shortage to Maclear	50	Water	Tender	R 226 644 753	MIG	CAPITAL	R 0	R 0	R 96 000 000
9	S/EC/14280/16/18	Bulk Sanitation Infrastructure Upgrade for Maclear Phase 3B	Construction of Bulk sanitation pipeline from town pump station to the WWTW as part of Sanitation infrastructure scheme to	30	Sanitation	Tender	R 60 447 551	MIG	CAPITAL	R 0	R 0	R 49 000 000

ELM 2020 – 2021 DRAFT IDP

			provide water borne sanitation to Maclear									
12	NR	Upgrading of Sanitation Services for Ugie	Provision of waste water infrastructure (Pump station, sewer lines and WWTW) in order to do away with old dilapidated communal septic tanks	30	Sanitation	Planning	NR	MIG	CAPITAL	R 5 000 000	R 25 000 000	R 0
		TOTAL								R 44 024 600	R 63 000 000	R 158 259 950
		WATER SERVICES INFRASTRUCTURE GRANT (WSIG)										
		DC14_P10162 -101_District Wide Telemetry System			Water	Implementation	15 000 000,00	WSIG	CAPITAL			
		DC14_P10162 -102_Rural Rudimentary Water Supply			Water	Planning	5 000 000,00	WSIG	CAPITAL			
		DC14_P10162 -103_Refurbishments of WTWs			Water	Implementation	5 000 000,00	WSIG	CAPITAL			

ELM 2020 – 2021 DRAFT IDP

		DC14_P10162 - 104_Argumentation of Clear Water Storage for Herschel and Rhodes			Water	Planning	7 000 000,00	WSIG	CAPITAL			
		DC14_P10162 -105_Acquire Bulk Meters			Water	Tender	7 000 000,00	WSIG	CAPITAL			
		TOTAL								R 0	R 0	R 0
		MUNICIPAL DISASTER RECOVERY GRANT (MDRG)										
		Rehabilitation of JGDM Storm Damaged Roads	The funding is for repairs of damage district roads structures	30	Roads	Planning	R 60 733 000	MDEG	CAPITAL	R 60 733 000	R 0	R 0
		TOTAL								R 60 733 000	R 0	R 0

8. SECTION H: FINANCIAL VIABILITY AND FINANCIAL PLAN

8.1. Introduction

8.2. Financial risks and key challenges

In order to maintain and improve on the financial efficiencies and position of ELM, certain risks need to be managed, while financial management practices need to be continuously improved.

The key financial risks confronting the Municipality can be summarised as follows:

- Limitation on Revenue Raising Capacity due to high poverty indices;
- Maintaining existing collection levels and arresting the debt composition associated with Low level Service Offerings;
- Financial Distress- ratio analysis- specific on Working capital elements - containment of costs within set benchmarks as established within the budget process;
- The escalation of electricity costs due to tariff increases imposed by Eskom and the effect on affordability and non-payment levels;
- Deficit position associated with trading services
- Electricity distribution losses estimated in excess of 20%
- Increases associated with deferred maintenance and backlog eradication;

8.2.1. Key Challenges

- Maintaining an unqualified audit opinion, and achieving a clean audit by 2019;
- Affordability of a desired Organisational Structure;
- Reducing overall cost exposure, maximise productivity and enhance revenue streams;
- The need to improve customer care functioning;
- The need to ensure legal compliance through all procedures and programmes;
- Recurring under spending of the capital budget;
- % Capital budget allocations to refurbishment of existing infrastructure;
- Deficit position of trading services operations

8.3. Financial Strategies

The Financial Strategy has been formulated to ensure that the ELM maximises all available opportunities that would enhance Councils financial strength especially considering the cost-shift environment that has been created with the implementation of assigned powers and functions.

Council's overall Financial Strategy is structured into the following core components to allow for a clearer understanding of the overall task:

- a) Revenue enhancement and maximisation Strategies
- b) Asset Management strategies
- c) Financial Management Strategies
- d) Capital Financing Strategies
- e) Operational Financing Strategies
- f) Supply Chain Management turnaround Strategy
- g) Cost Containment Strategies
- h) Free Basic Services and indigent Support

These segments are intended to provide operational guidance to staff to assist them in achieving identified objectives and goals.

Importantly the Strategies formulated are deemed to be primary mitigating tool against the financial risks identified, and giving effect to the objectives of the Integrated Development Plan, through ensuring that the performance targets as per the Budget underlying the IDP are achieved. The strategies are premised on ensuring compliance with adopted financial policies, modelled on modernised reform practices applicable to Local Government.

8.3.1. Revenue Enhancement and Maximisation Strategy

The purpose of this strategy is to ensure that all possible avenues are explored to maximise the receipt of any monies available to Council by way of intergovernmental transfers and Grants or Donations, including expanding the billing database and maximising income opportunities on every registered serviced site within the LM's jurisdiction.

The second component of this strategy focuses on strengthening and building capacity within credit control and debt management practices and processes of Council, ensuring the attainment and exceeding of collection rates in line with key budgetary requirements.

The third component of the strategy focuses on maximising the registration of households eligible for participation within the Free Basic Services programme of Council, this component is aimed at arresting spiralling debts associated with this user group, and limiting consumption of services in line with the FBS allocation threshold.

In line with the strategy employed, Council has formalised the appointment of a Specialist Service Provider on a contingency arrangement over three years to undertake revenue enhancement and debt reduction, with a special focus on skills transfer to a dedicated internal unit that will be created during this financial year.

The success of this programme has been profound, in that the organisation has effectively been able to sustain collection rates in excess of 80% in line with budget expectations over the Medium Term Revenue Expenditure Framework.

Financial performance as per the adopted mid termed assessment reveals that the organisation is poised to achieve the anticipated revenue inflows underpinning the budget framework adopted, being a minimum of 95%.

The additional revenue inflows beyond planned performance has provided significant impetus to funding additional programmes to enhance service delivery offerings e.g. Outsourcing of the solid waste management site within Ugie estimated at R 2.7 Million per annum.

The targeted debt collection rate over the MTREF is positioned at 95%, increasing to 100%, and 100% respectively.

8.3.2. Subsidies and Grants

In order for ELM to obtain maximum benefit from external monies available, a policy laying out the relevant procedures has been put in place within the Institution to ensure that all grants, donations and

subsidies are investigated, applied for and received at the appropriate times. The policy will ensure that Council receives maximum benefit from external funding available.

The ELM has entered into a Service Level Agreement with the Department of Roads and Public works, whereby the ELM undertakes road construction and maintenance activities on District Roads, the Revenue Inflows associated with this activity is estimated at R 6 Million over the MTREF.

The Municipality has prioritised an initiative to appoint a funding agent over the MTREF to conclude business plan development and applications through various government funding agents.

Capital Transfers- MTREF Elundini LM

In terms of the DORA the indicative allocations as defined within table A4 clearly defines that over the MTREF Elundini LM will receive R 118.1 Million prioritised for road infrastructure.

IN-KIND ALLOCATIONS

Eskom's electrification program funded through the Integrated National Electrification Grant (INEG) will see R 152.7 million being invested over the MTREF within Elundini service area to address inherent service delivery backlogs.

8.3.3. Administration Fee Policy

The Administration Fee Policy has been updated to address the needs of Council with regards to administration of contracts on behalf of third parties. Importantly, this component will result in R 60.2 Million being appropriated to own revenue over the MTREF from conditional grants held within the Organisation.

8.3.4. Credit Control and Debt Collection Policy

The Policy sets out to control and manage the recovery of outstanding debt due to Council. This policy is in place and is subject to regular updates. The policy lays down the basis for distribution of accounts, collection procedures, interest and penalties to be charged in the event of non-payment, with strong focus on management reporting requirements pursuant of key legislative requirements and performance management.

Giving effect to the administration of this policy, Council through the appointment of a revenue specialist has invested in a Revenue Management and Debt collection System fully compliant with Municipal Bylaws and objects of the policy framework, the system effects have result in macro approach to debt management and collection being effected, in an effective and efficient manner, maximise the return on investment and per household.

8.3.5. Tariff Policy

This policy sets key guidelines on what should be considered when pricing services and guiding principles for the compilation of water, sanitation, solid waste and electricity tariffs. This policy is subject to constant review, given significant reforms within the electrification and water sectors, which impact on the price cost of services rendered, and ultimately on the sustainability of trading services.

Through the policy framework adopted and implemented, Council has for the MTREF prioritised the continuation of the revenue protection strategy employed during the current financial year to further reduce existing losses of 25% to an acceptable technical loss of 10%.

8.3.6. Asset Management Strategies

The purpose of the strategy is to optimise the use of all assets under the control of Elundini Local Municipality, given the financial exposure and the revenue streams earned by the Municipality in the rendering of services to the community. Due to the strategic importance that the entire asset base presents around the continued viability of the organisation R 178.4 million will be invested over the MTREF in capital expansion programmes.

8.3.7. Asset Management Policy

This policy is deemed necessary in order to facilitate the effective management, control and maintenance of the assets. The policy is in place and is subject to regular review. The prime objectives of the policy are to ensure that the assets of Elundini are properly managed and accounted for by:

- a) Ensuring the accurate recording of asset information
- b) The accurate recording of asset movements
- c) Exercising strict control over all assets
- d) Providing correct and meaningful management information
- e) Compliance with Council's Insurance Policy and Payment Procedure

- f) Effecting adequate insurance of all assets
- g) Maintenance of Council's Assets

The implication of this policy on the administration and planning of assets has been profound, in that the organisation has a comprehensive understanding of all assets under the Management Control of the Municipality, has an acute understanding of the conditions and remaining lifespan etc. of the asset base, all of which are aimed at ensuring that sound financial planning occurs, especially around investment choices and reserve creation to safe guard against ageing infrastructure; the Funding and Reserves policy is directly influenced through the outcomes of the annualised conditional assessment on all infrastructural assets.

The Municipality likewise has incurred losses of less than R50 000 due to theft of assets over the preceding financial year, all of which we subject to insurance claims; all assets have been adequately verified and accounted for in line with GRAP requirements, and has received no negative audit reports in this regard.

It is envisaged that strict adherence to policy framework will continue to be applied in order to protect the resource of the community, and ensure the continued viability of the Municipality.

8.3.8. Asset Movement System

At the time of commissioning a GRAP compliant Asset Register, an asset tracking system using bar-coded discs and scanners was put in place. With the completion of the Asset Register, the asset tracking system is now fully operational. The system allow for regular audits of all assets to be completed in a shorter time frame and therefore allowing for more regular updates of the register. Asset verifications are undertaken twice a year for purposes of validating the existence and proper recording of all assets; all assets not accounted for are thoroughly investigated and reported to Council.

8.3.9. Financial Management Strategies

The purpose of this strategy is to ensure that the Financial Systems in place at Elundini Local Municipality are of such quality to allow for the generation of accurate and timely reporting at all times. The Strategy has culminated in the institution being able to effectively make informed decisions around service delivery, identify financial risks and impeding financial problems, through having an acute understanding of the financial affairs of the Municipality, through a simplified qualitative analysis being provided based

on the in-year reports focusing on budgeted performance(revenue, expenditure, capital); impact of the trading activity on the financial position and cash-flows within the Organisation, this is in compliance with international standards on in year reporting.

8.3.10. Supply Chain Management Turnaround Strategy

The Municipality has during the course of the financial year implemented a comprehensive SCM turnaround strategy aimed at significantly enhancing overall compliance with SCM regulations and addressing internal control deficiencies addressed within the last year's audit report issued by the Auditor-General, whilst improving significantly on operational efficiencies aimed at promoting quicker turnaround times and improving overall internal and external client satisfaction.

This strategy has been hailed a success as evidenced by the fact that the organisation for the audited financial year received less findings relating to SCM processes.

Importantly the turnaround strategy employed has seen the creation of a fully-fledged SCM unit fully compliant with SCM regulations, reporting to the office of the Chief Financial Officer.

The organisational structure has been redesigned to ensure logical arrangement of critical functions overseen by the Supply Chain Manager, and is segmented into the following core functional areas, namely:

- Demand and Acquisition Management
- Bid Administrations and Contracts Management
- Logistics Management
- Disposal Management

In terms of the systems of delegations adopted, the Municipality currently uses a fully functional bid committee system that regulates all competitive bids ranging from R 200 000

In terms of the committee system in use, three distinct committees are in existence, each comprising of specialists within various fields that assist in the discharge of roles and responsibilities assigned, the committees system in use comprise the following:

- ✓ Bid Specifications Committee

- ✓ Bid Evaluation Committee
- ✓ Bid Adjudication Committee

The Chairmanship of all bid committees are highly regulated and all appointment are authorised by the Accounting Officer in line with Municipal Regulations issued; all committees are furthermore represented by a senior supply chain practitioner. Importantly in terms of the code of conduct applicable to bid committees, all members are required to declare annually, financial interests. ELM's SCM Policy has also be reviewed in order to cover emergency procurement measures (Deviations) during disasters.

8.4. BUDGET AND FINANCE REFORM

A considerable amount of time and effort has been expended on ensuring that Elundini Local Municipality has the capacity to deliver on the finance and budget reporting requirements as prescribed by National Treasury. The institution has reaffirmed its commitment to the development of capacity to service local government interest within financial management and administration and as such has invested R 1.7 Million towards this program over the MTREF.

The process is being overseen by a Finance Standing committee and significant progress has been made in some areas. Specific tasks being performed are:

- Employment of 5 interns and short term contract workers
- Reconciliation of assets
- Training
- Supply Chain Management
- Liability Management
- Revenue Management
- Financial Systems Reporting
- Automation of Section 71 reporting

8.5. POLICY FOR ACCESSING DONOR FUNDS

Due to the large number of projects that are being requested from the community, a policy has been developed and implemented which creates a framework for accessing funds both locally and internationally.

The policy outlines the type of donors available and the conditions related to the donations. All procedures and special conditions attributable the different donors will be catalogued in the policy to ensure the smoothest approach to these donors when the occasion arises. This policy implementation lies with the Municipal Manager's Office as an extension of the Subsidies and Grants Policy.

Please refer to section on Subsidies and Grants around the successful application of the policy framework.

8.6. OPERATIONAL FINANCING STRATEGIES

The purpose of this strategy is to assess the viability (IA) of any association or alliance or partnership that may arise from time to time. ELM has been assigned various functions and authorities by the MEC for Local Government, Housing and Traditional Affairs or Structures Act.

Council, through National Treasury have begun a formal process of exploring a PPP option on the landfill sites within the areas of Maclear, Ugie and Mt Fletcher on a 10 year outsourced option, aimed at significantly passing financial risk onto the private party (R30 Million over 10 years); Council has provided R 8.1 Million over the MTREF for this purpose financed through enhanced debt collection initiatives.

Similarly, a memorandum of understanding has been concluded between the Elundini LM and Department of Public Works for the construction of divisional roads within Elundini, aimed at maximizing the returns of investment for Elundini around the acquisition and utilization of plant (road construction) acquired, outside of planned performance linked to MIG internal road construction framework, whilst reducing input costs for the Department and hence generate significant project related savings which may be reprioritized to increase service coverage.

8.7. STRATEGIES TO ENHANCE COST-EFFECTIVENESS

The purpose of this strategy is to ensure that Elundini Local Municipality employs the most cost effective operating practices. Importantly, this strategy is driven on the principles enshrined within the Costing policy, which amongst other things advocates that the sustainability of Elundini LM is not primarily driven on resource generation capacity, rather a combination of effective resource utilization, premised on cost conscious decision making practices and processes.

The Municipality over the MTREF has adopted a formal cost reduction plan in line with the strategy requirements that will see a material shift away from consumptive based practices in favour of enhancing allocations towards building internal working capital reserves and capital replacement reserves.

8.8. BENCHMARKING AND PERFORMANCE INDICATORS

A set of performance indicators will be developed in so as to conform to Local Government benchmark indicators set for financial sustainability and performance; the Long Term Plan presented is modelled to ensure a sustain approach to align existing performance to that of a desired performance level. Benchmarking these against similar organizations will allow for regular internal assessment and upgrading.

These bench mark indicators will supplement the battery of indicators that have been developed as part of the new budget reporting formats and regulations, aimed at gauging the efficacy of financial performance and management.

8.9. TRAINING AND DEVELOPMENT OF STAFF

Training sessions and courses are continually being planned to ensure that all financial as well as non-financial, senior staff and councillors will be in a better position to evaluate the financial position of the Municipality. The Council also has an approved skills development plan, which is being implemented and is used to guide training of both Councillors and Officials.

The training related budget provided over the MTREF supporting the workplace skills plan equates to R 5.9 Million. Similarly the organization has enrolled 2 employees on the Minimum Municipal Competency training programme for the current financial year; it is anticipated that by the end of Dec 2018 all officials required to be fully competent would have complied with the regulations issued.

8.10. COST-EFFECTIVENESS

In line with the cost containment strategy formulated and implemented, line functions are thoroughly assessed from a business process perspective, in terms of the outcomes reports furnished line departments will be engaged in business process reengineering aimed at enhancing overall performance and reducing ELM's cost footprint. Departments will be required to develop departmental specific reduction strategies for approval and implementation in line with the key strategy developed.

8.11. POST RETIREMENT BENEFITS

Post-retirement benefit obligations have been quantified and disclosed with the AFS in compliance with relevant accounting standards, the Funding and Reserves policy adopted has quantified the basis of cash back provisioning required to provide to wholly fund the obligations presented.

8.12. FREE BASIC SERVICES

8.12.1. The indigence support policy:

The basic principles of this policy are captured by indicating that the policy is to ensure that poor households are not denied their constitutional right of access to services, the Elundini LM is required to implement an indigent support policy that makes adequate financial provision to ensure the provision of efficient and sustainable services to all residents within the area of jurisdiction.

The indigent support policy is an integral part of the Elundini's tariff policy that is developed and implemented in a transparent manner to ensure the sustainability of local public services to all of its citizens at an affordable cost. The indigent policy is intended to provide poor households ongoing access to a specified level of service. The subsidies contained in the policy should not compromise the quality or efficiency of service delivery.

Critically as part of Elundini LM commitment to improve continued access to service and provide a basket of free services as part of the poverty alleviation programme, Council has resolved to accelerate the provision of solar system to non-grid electrified homes within the region (7 500 new applications over the MTREF), to this effect the service delivery targets have been amended to reflect this target; indigent support funding envelope has significantly increased to R 18.4 Million over the MTREF.

8.13. FINANCIAL PLAN

This plan is prepared in terms of Section 26 (h) of the Local Government: Municipal Systems Act, as amended, which stipulates that a financial plan must be prepared as part of the Integrated Development Plan.

In accordance with the outcomes of the latest assessment conducted as part of the mid-term review for the 2019/20 financial year in accordance with the provisions of section 72 of the Municipal Finance Management Act, the Elundini Local Municipality remains financially sustainable and is able to meet its financial commitments.

Significant reforms within the adoption of new accounting standards, being Generally Recognised Accounting Practice (GRAP), coupled with significant reforms within Municipal Budgeting and Reporting Regulations has significantly enhanced the credibility, sustainability, transparency, accuracy and reliability of financial planning, management and reporting within the Elundini Local Municipality

In meeting the demands associated with modernised practices towards sustaining and enhancing financial viability; and addressing the specific needs of Elundini LM within the context of limited resources and mounting service delivery expectations, has necessitated that a comprehensive integrated approach towards financial sustainability be developed.

In terms of the approach adopted, the report will clearly define financial risks which have been identified as being a financial threat to the long term sustainability of the Organisation, linked to key challenges, with a detailed focus on effective strategies employed to mitigate against financial threats and weaknesses, concluded by a detailed analysis of the service delivery package and associated financial implications on the operations, statement of financial position and cashflows for the MTREF which collectively aims to position Elundini LM on a sustainable approach to service delivery.

Financial risks and key challenges

In order to maintain and improve on the financial efficiencies and position of Elundini LM, certain risks need to be managed, while financial management practices need to be continuously improved.

The key financial risks confronting the Municipality can be summarised as follows:

- Limitation on Revenue Raising Capacity due to high poverty indices;

- Maintaining existing collection levels and arresting the debt composition associated with Low level Service Offerings;
- Financial Distress- ratio analysis- specific on Working capital elements - containment of costs within set benchmarks as established within the budget process;
- The escalation of electricity costs due to tariff increases imposed by Eskom and the effect on affordability and non-payment levels;
- Deficit position associated with trading services
- Electricity distribution losses estimated in excess of 20%
- Increases associated with deferred maintenance and backlog eradication;

Key Challenges

- Maintaining an unqualified audit opinion, and achieving a clean audit by 2020;
- Affordability of a desired Organisational Structure;
- Reducing overall cost exposure, maximise productivity and enhance revenue streams;
- The need to improve customer care functioning;
- The need to ensure legal compliance through all procedures and programmes;
- Recurring under spending of the capital budget;
- % Capital budget allocations to refurbishment of existing infrastructure;
- Deficit position of trading services operations

Financial Strategies

The Financial Strategy has been formulated to ensure that the Elundini Local Municipality maximises all available opportunities that would enhance Councils financial strength especially considering the cost-shift environment that has been created with the implementation of assigned powers and functions.

Council's overall Financial Strategy is structured into the following core components to allow for a clearer understanding of the overall task:

- 1) Revenue enhancement and maximisation Strategies
- 2) Asset Management strategies
- 3) Financial Management Strategies
- 4) Capital Financing Strategies
- 5) Operational Financing Strategies
- 6) Supply Chain Management turnaround Strategy
- 7) Cost Containment Strategies
- 8) Free Basic Services and indigent Support

These segments are intended to provide operational guidance to staff to assist them in achieving identified objectives and goals.

Importantly the Strategies formulated are deemed to be primary mitigating tool against the financial risks identified, and giving effect to the objectives of the Integrated Development Plan, through ensuring that the performance targets as per the Budget underlying the IDP are achieved.

The strategies are premised on ensuring compliance with adopted financial policies, modelled on modernised reform practices applicable to Local Government.

REVENUE ENHANCEMENT AND MAXIMISATION STRATEGY

The purpose of this strategy is to ensure that all possible avenues are explored to maximise the receipt of any monies available to Council by way of intergovernmental transfers and Grants or Donations, including expanding the billing database and maximising income opportunities on every registered serviced site within the LM's jurisdiction.

The second component of this strategy focuses on strengthening and building capacity within credit control and debt management practices and processes of Council, ensuring the attainment and exceeding of collection rates in line with key budgetary requirements.

The third component of the strategy focuses on maximising the registration of households eligible for participation within the Free Basic Services programme of Council, this component is aimed at arresting spiralling debts associated with this user group, and limiting consumption of services in line with the FBS allocation threshold.

In line with the strategy employed, Council has formalised the appointment of a Specialist Service Provider on a contingency arrangement over three years to undertake revenue enhancement and debt reduction, with a special focus on skills transfer to a dedicated internal unit that will be created during this financial year.

The success of this programme has been profound, in that the organisation has effectively been able to sustain collection rates in excess of 80% in line with budget expectations over the Medium Term Revenue Expenditure Framework.

Financial performance as per the adopted mid termed assessment reveals that the organisation is poised to achieve the anticipated revenue inflows underpinning the budget framework adopted, being a minimum of 95%.

The additional revenue inflows beyond planned performance has provided significant impetus to funding additional programmes to enhance service delivery offerings eg. Outsourcing of the solid waste management site within Ugie estimated at R 2.7 Million per annum.

The targeted debt collection rate over the MTREF is positioned at 95%, increasing to 100%, and 100% respectively.

SUBSIDIES AND GRANTS

In order for Elundini LM to obtain maximum benefit from external monies available, a policy laying out the relevant procedures has been put in place within the Institution to ensure that all grants, donations and subsidies are investigated, applied for and received at the appropriate times. The policy will ensure that Council receives maximum benefit from external funding available.

The ELM has entered into a Service Level Agreement with the Department of Roads and Public works, whereby the ELM undertakes road construction and maintenance activities on District Roads, the Revenue Inflows associated with this activity is estimated at R 6 Million over the MTREF.

The Municipality has prioritised an initiative to appoint a funding agent over the MTREF to conclude business plan development and applications through various government funding agents.

Capital Transfers- MTREF Elundini LM

In terms of the DORA the indicative allocations as defined within table A4 clearly defines that over the MTREF Elundini LM will receive R 133.5 Million prioritised for road infrastructure.

IN-KIND ALLOCATIONS

Eskom's electrification program funded through the Integrated National Electrification Grant (INEG) will see R 59.2 million being invested over the MTREF within Elundini service area to address inherent service delivery backlogs.

2.6.3 ADMINISTRATION FEE POLICY

The Administration Fee Policy has been updated to address the needs of Council with regards to administration of contracts on behalf of third parties.

Importantly, this component will result in R 130 Million being appropriated to own revenue over the MTREF from conditional grants held within the Organisation.

2.6.4 CREDIT CONTROL AND DEBT COLLECTION POLICY

The Policy sets out to control and manage the recovery of outstanding debt due to Council. This policy is in place and is subject to regular updates.

The policy lays down the basis for distribution of accounts, collection procedures, interest and penalties to be charged in the event of non-payment, with strong focus on management reporting requirements pursuant of key legislative requirements and performance management.

Giving effect to the administration of this policy, Council through the appointment of a revenue specialist has invested in a Revenue Management and Debt collection System fully compliant with Municipal Bylaws and objects of the policy framework, the system effects have result in macro approach to debt management and collection being effected, in an effective and efficient manner, maximise the return on investment and per household.

2.6.5 TARIFF POLICY

This policy sets key guidelines on what should be considered when pricing services and guiding principles for the compilation of water, sanitation, solid waste and electricity tariffs.

This policy is subject to constant review, given significant reforms within the electrification and water sectors, which impact on the price cost of services rendered, and ultimately on the sustainability of trading services.

Through the policy framework adopted and implemented, Council has for the MTREF prioritised the continuation of the revenue protection strategy employed during the current financial year to further reduce existing losses of 25% to an acceptable technical loss of 10%.

2.6.6 ASSET MANAGEMENT STRATEGIES

The purpose of the strategy is to optimise the use of all assets under the control of Elundini Local Municipality, given the financial exposure and the revenue streams earned by the Municipality in the rendering of services to the community.

Due to the strategic importance that the entire asset base presents around the continued viability of the organisation R 204.5 million will be invested over the MTREF in capital expansion programmes.

2.6.7 ASSET MANAGEMENT POLICY

This policy is deemed necessary in order to facilitate the effective management, control and maintenance of the assets. The policy is in place and is subject to regular review. The prime objectives of the policy are to ensure that the assets of Elundini are properly managed and accounted for by:

- ☑ Ensuring the accurate recording of asset information**
- ☑ The accurate recording of asset movements**
- ☑ Exercising strict control over all assets**
- ☑ Providing correct and meaningful management information**
- ☑ Compliance with Council's Insurance Policy and Payment Procedure**
- ☑ Effecting adequate insurance of all assets**

☐ Maintenance of Council's Assets

The implication of this policy on the administration and planning of assets has been profound, in that the organisation has a comprehensive understanding of all assets under the Management Control of the Municipality, has an acute understanding of the conditions and remaining lifespan etc of the asset base, all of which are aimed at ensuring that sound financial planning occurs, especially around investment choices and reserve creation to safe guard against ageing infrastructure; the Funding and Reserves policy is directly influenced through the outcomes of the annualised conditional assessment on all infrastructural assets.

The Municipality likewise has incurred losses amounting to R1.2 million due to loss on disposal on monitory assets adequately verified and accounted for in line with GRAP requirements, and has received no negative audit reports in this regard.

It is envisaged that strict adherence to policy framework will continue to be applied in order to protect the resource of the community, and ensure the continued viability of the Municipality.

2.6.8 ASSET MOVEMENT SYSTEM

At the time of commissioning a GRAP compliant Asset Register, an asset tracking system using bar-coded discs and scanners was put in place. With the completion of the Asset Register, the asset tracking system is now fully operational.

The system allow for regular audits of all assets to be completed in a shorter time frame and therefore allowing for more regular updates of the register.

Asset verifications are undertaken twice a year for purposes of validating the existence and proper recording of all assets; all assets not accounted for are thoroughly investigated and reported to Council.

2.6.9 FINANCIAL MANAGEMENT STRATEGIES

The purpose of this strategy is to ensure that the Financial Systems in place at Elundini Local

Municipality are of such quality to allow for the generation of accurate and timely reporting at all times.

The Strategy has culminated in the institution being able to effectively make informed decisions around service delivery, identify financial risks and impeding financial problems, through having an acute understanding of the financial affairs of the Municipality, through a simplified qualitative analysis being provided based on the in-year reports focusing on budgeted performance(revenue, expenditure, capital); impact of the trading activity on the financial position and cash-flows within the Organisation, this is in compliance with international standards on in year reporting.

2.6.10 SUPPLY CHAIN MANAGEMENT TURNAROUND STRATEGY

The Municipality has during the course of the financial year implemented a comprehensive SCM turnaround strategy aimed at significantly enhancing overall compliance with SCM regulations and addressing internal control deficiencies addressed within the last year's audit report issued by the Auditor-General, whilst improving significantly on operational efficiencies aimed at promoting quicker turnaround times and improving overall internal and external client satisfaction.

This strategy has been hailed a success as evidenced by the fact that the organisation for the audited financial year received less findings relating to SCM processes.

Importantly the turnaround strategy employed has seen the creation of a fully-fledged SCM unit fully compliant with SCM regulations, reporting to the office of the Chief Financial Officer.

The organisational structure has been redesigned to ensure logical arrangement of critical functions overseen by the Supply Chain Manager, and is segmented into the following core functional areas, namely:

- Demand and Acquisition Management**
- Bid Administrations and Contracts Management**
- Logistics Management**
- Disposal Management**

In terms of the systems of delegations adopted, the Municipality currently uses a fully functional bid committee system that regulates all competitive bids ranging from R 200 000

In terms of the committee system in use, three distinct committees are in existence, each comprising of specialists within various fields that assist in the discharge of roles and responsibilities assigned, the committees system in use comprise the following:

Bid Specifications Committee

Bid Evaluation Committee

Bid Adjudication Committee

The Chairmanship a all bid committees are highly regulated and all appointment are authorised by the Accounting Officer in line with Municipal Regulations issued; all committees are furthermore represented by a senior supply chain practioner.

Importantly in terms of the code of conduct applicable to bid committees, all members are required to declare annually, financial interests.

2.6.11 BUDGET AND FINANCE REFORM

A considerable amount of time and effort has been expended on ensuring that Elundini Local Municipality has the capacity to deliver on the finance and budget reporting requirements as prescribed by National Treasury.

The institution has reaffirmed its commitment to the development of capacity to service local government interest within financial management and administration and as such has invested R 1.8 Million towards this program over the MTREF.

The process is being overseen by a Finance Standing committee and significant progress has been made in some areas. Specific tasks being performed are:

- Employment of 5 interns and short term contract workers**
- Reconciliation of assets**
- Training**
- Supply Chain Management**
- Liability Management**
- Revenue Management**
- Financial Systems Reporting**
- Automation of Section 71 reporting**

2.6.12 POLICY FOR ACCESSING DONOR FUNDS

Due to the large number of projects that are being requested from the community, a policy has been developed and implemented which creates a framework for accessing funds both locally and internationally.

The policy outlines the type of donors available and the conditions related to the donations. All

procedures and special conditions attributable the different donors will be catalogued in the policy to ensure the smoothest approach to these donors when the occasion arises.

This policy implementation lies with the Municipal Manager's Office as an extension of the Subsidies and Grants Policy.

Please refer to section on Subsidies and Grants around the successful application of the policy framework.

2.6.13 OPERATIONAL FINANCING STRATEGIES

The purpose of this strategy is to assess the viability (IA) of any association or alliance or partnership that may arise from time to time.

Elundini Local Municipality has been assigned various functions and authorities by the MEC for Local Government, Housing and Traditional Affairs or Structures Act.

Council, through National Treasury have begun a formal process of exploring a PPP option on the landfill sites within the areas of Maclear, Ugie and Mt Fletcher on a 10 year outsourced option, aimed at significantly passing financial risk onto the private party (R30 Million over 10 years); Council has provided R 8.1 Million over the MTREF for this purpose financed through enhanced debt collection initiatives.

Similarly, a memorandum of understanding has been concluded between the Elundini LM and Department of Public Works for the construction of divisional roads within Elundini, aimed at maximising the returns of investment for Elundini around the acquisition and utilisation of plant (road construction) acquired, outside of planned performance linked to MIG internal road construction framework, whilst reducing input costs for the Department and hence generate significant project related savings which may be reprioritised to increase service coverage.

2.6.14 STRATEGIES TO ENHANCE COST-EFFECTIVENESS

The purpose of this strategy is to ensure that Elundini Local Municipality employs the most cost effective operating practices.

Importantly, this strategy is driven on the principles enshrined within the Costing policy, which amongst other things advocates that the sustainability of Elundini LM is not primarily driven on resource generation capacity, rather a combination of effective resource utilisation, premised on cost conscious decision making practices and processes.

The Municipality over the MTREF has adopted a formal cost reduction plan in line with the strategy requirements that will see a material shift away from consumptive based practices in favour of enhancing allocations towards building internal working capital reserves and capital replacement reserves.

2.6.15 BENCHMARKING AND PERFORMANCE INDICATORS

A set of performance indicators will be developed in so as to conform to Local Government benchmark indicators set for financial sustainability and performance; the Long Term Plan presented is modelled to ensure a sustain approach to align existing performance to that of a desired performance level. Benchmarking these against similar organisations will allow for regular internal assessment and upgrading.

These bench mark indicators will supplement the battery of indicators that have been developed as part of the new budget reporting formats and

regulations, aimed at gauging the efficacy of financial performance and management.

2.6.16 TRAINING AND DEVELOPMENT OF STAFF

Training sessions and courses are continually being planned to ensure that all financial as well as non-financial, senior staff and councillors will be in a better position to evaluate the financial position of the Municipality. The Council also has an approved skills development plan, which is being implemented and is used to guide training of both Councillors and Officials.

The training related budget provided over the MTREF supporting the workplace skills plan equates to R 7.8 Million

Similarly the organisation has enrolled 2 employees on the Minimum Municipal Competency training programme for the current financial year; it is anticipated that by the end of Dec 2020 all officials required to be fully competent would have complied with the regulations issued.

2.6.17 COST-EFFECTIVENESS

In line with the cost containment strategy formulated and implemented, line functions are thoroughly assessed from a business process perspective, in terms of the outcomes reports furnished line departments will be engaged in business process reengineering aimed at enhancing overall performance and reducing ELM's cost footprint.

Departments will be required to develop departmental specific reduction strategies for approval and implementation in line with the key strategy developed.

2.6.18 POST RETIREMENT BENEFITS

Post-retirement benefit obligations have been quantified and disclosed with the AFS in compliance with relevant accounting standards, the Funding and Reserves policy adopted has quantified the basis of cash back provisioning required to provide to wholly fund the obligations presented.

2.6.19 FREE BASIC SERVICES

2.6.19.1 The indigence support policy:

The basic principles of this policy are captured by indicating that the policy is to ensure that poor households are not denied their constitutional right of access to services, the Elundini LM is required to implement an indigent support policy that makes adequate financial provision to ensure the provision of efficient and sustainable services to all residents within the area of jurisdiction. The indigent support policy is an integral part of the Elundini's tariff policy that is developed and implemented in a transparent manner to ensure the sustainability of local public services to all of its citizens at an affordable cost.

The indigent policy is intended to provide poor households ongoing access to a specified level of service.

The subsidies contained in the policy should not compromise the quality or efficiency of service delivery.

Critically as part of Elundini LM commitment to improve continued access to service and provide a basket of free services as part of the poverty alleviation programme, Council has resolved to accelerate the provision of solar system to non-grid electrified homes within the region(7 500 new applications over the MTREF), to this effect the service delivery targets have been amended to reflect this target; indigent support funding envelope has significantly increased to R 14 Million over the MTREF.

2.6.2 Financial Plan

This plan is prepared in terms of Section 26 (h) of the *Local Government: Municipal Systems Act*, as amended, which stipulates that a financial plan must be prepared as part of the Integrated Development Plan.

In view of the aforementioned, the following table is a consolidated overview of the proposed Medium-term Revenue and Expenditure Framework:

Table A65 Consolidated Overview of the 2019/20 MTREF

R thousand	Adjustments Budget 2019/2020	Budget Year 2020/2021	Budget Year 2021/2022	Budget Year 2022/2023
Total Operating Revenue	377.3	R332	R337.3	R350.2
Total Operating Expenditure	311.7	R370.1	R377.0	R391.8
(Surplus)/Deficit	65.7	R(38.1)	R(39.7)	R (41.5)
Total Capital Expenditure	88.0	R 81.5	R59.9	R 63.0

Total operating revenue has decreased by 12 per cent or R45 million for this financial year when compared to the previous financial year on budgeted revenue. For the two outer years, operational revenue increased by 1.5% and 3.7%.

Total operating expenditure grown by 15% or R59m for this financial year when compared to previous financial year budgeted expenditure. For two outer years, operating expenditure increased by 2% and 4%. Operating expenditure has been appropriated at R370.7 million, R377m and R391.8m for the two outer years and translates into a budgeted deficit of (R38.1) million, R(39.7)m and R(41.5)m for the two outer years and this deficit relates to non-cash expenditure items being

Depreciation costs. The municipality does not have enough resources to cater for non- cash expenditure items for this MTREF. The municipality should develop a revenue enhancement strategy to address the deficit within the MTREF.

The capital program is positioned to R81.5 million, R59.9 and R63 million in the outer years. A substantial portion of the capital budget will be funded by government grants from National and Provincial Government over the MTREF. The balance will be funded from internally generated funds.

Operating Revenue Framework

In order for Elundini Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 95 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;

ELM 2020 – 2021 DRAFT IDP

- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the municipality.

The following table is a summary of the 2021/2023 MTREF (classified by main revenue source):

Table A4 Summary of revenue classified by main revenue source

ELM 2020 – 2021 DRAFT IDP

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue By Source											
Property rates	2	17 218	17 501	23 203	29 932	29 932	29 932	–	31 309	32 749	34 256
Service charges - electricity revenue	2	19 233	24 734	29 137	34 391	34 391	34 391	–	35 973	37 628	39 359
Service charges - water revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	2	4 759	685	4 145	7 461	3 041	3 041	–	3 223	3 372	3 527
Rental of facilities and equipment		1 575	1 463	8 235	9 459	9 459	9 459		9 894	10 349	10 825
Interest earned - external investments		4 539	4 778	5 515	2 568	4 500	4 500		4 707	4 924	5 150
Interest earned - outstanding debtors		1 804	1 899	1 970	1 369	5 618	5 618		5 933	6 206	6 491
Dividends received		–	–	–	–	–	–		–	–	–
Fines, penalties and forfeits		472	368	1 166	259	259	259		271	284	297
Licences and permits		2 371	2 014	2 796	2 217	2 217	2 217		2 318	2 425	2 537
Agency services					520	520	520		544	569	595
Transfers and subsidies		152 226	168 566	173 496	159 791	180 791	180 791		192 734	196 456	202 761
Other revenue	2	1 308	8 946	1 287	30 000	41 285	41 285	–	44 634	41 857	43 933
Gains					448	448			468	490	513
Total Revenue (excluding capital transfers and contributions)		205 505	230 953	250 951	278 415	312 462	312 014	–	332 010	337 308	350 243
Expenditure By Type											
Employee related costs	2	70 300	79 764	98 972	100 012	104 900	104 900	–	113 948	119 189	124 672
Remuneration of councillors		10 229	12 028	12 028	12 736	12 736	12 736		13 851	14 488	15 154
Debt impairment	3	9 185	1 686	10 085	1 773	1 773	1 773		2 061	2 156	2 255
Depreciation & asset impairment	2	26 956	32 793	30 157	34 498	34 498	34 498	–	36 085	37 745	39 481
Finance charges		1 205	1 370	1 489	56	56	56		209	218	228
Bulk purchases	2	21 295	20 023	20 821	30 757	30 757	30 757	–	32 171	33 651	35 199
Other materials	8	9 619	13 480		1 705	1 902	1 902		1 759	1 840	1 925
Contracted services		2 727	2 380	69 241	47 295	70 801	70 801	–	101 542	96 106	97 946
Transfers and subsidies		–	–	2 428	–	–	–	–	–	–	–
Other expenditure	4, 5	72 770	79 714	42 763	54 731	54 327	54 327	–	68 531	71 684	74 981
Losses				1 259							
Total Expenditure		224 288	243 237	289 243	283 563	311 750	311 750	–	370 156	377 077	391 841
Surplus/(Deficit)		(18 783)	(12 284)	(38 292)	(5 148)	712	264	–	(38 146)	(39 769)	(41 598)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		41 386	70 276	59 981	78 306	64 906	64 906		51 288	39 769	42 505
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	6	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)											
Surplus/(Deficit) after capital transfers & contributions		22 603	57 991	21 689	73 158	65 618	65 170	–	13 142	0	907
Taxation											
Surplus/(Deficit) after taxation		22 603	57 991	21 689	73 158	65 618	65 170	–	13 142	0	907
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		22 603	57 991	21 689	73 158	65 618	65 170	–	13 142	0	907
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		22 603	57 991	21 689	73 158	65 618	65 170	–	13 142	0	907

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Our total revenue mix comprises of revenue generated from rates and services charges which are Electricity and solid waste and other revenue derived from rentals, plant income investment income and others.

Property rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

Revenue generated from Property Rates totals to R31.3 million for the budget year and has increased to R32.7 million and R34.2 million for the two outer years.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA). In addition to this rebate, a further R25 000 reduction on the market value of a property will be granted in terms of the Municipality's own Property Rates Policy;
- 35 per cent rebate will be granted on all residential properties (including state owned residential properties);
- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy;
- For pensioners, physically and mentally disabled persons, a maximum/total rebate of 50 per cent (calculated on a sliding scale) will be granted to owners of rate-able property if the total gross income of the applicant and/or his/her spouse, if any, does not to exceed the amount equal to twice the annual state pension as approved by the National Government for a financial year. In this regard the following stipulations are relevant:
 - The rate-able property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependents without income;

- The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of Health, also proof of the annual income from a social pension;
 - The applicant's account must be paid in full, or if not, an arrangement to pay the debt should be in place; and
 - The property must be categorized as residential.
- The Municipality may award a 100 per cent grant-in-aid on the assessment rates of rate-able properties of certain classes such as registered welfare organizations, institutions or organizations performing charitable work, sports grounds used for purposes of amateur sport. The owner of such a property must apply to the Chief Financial Officer in the prescribed format for such a grant.

Revenue from Services

Electricity

Electricity and Solid waste services are the main revenue sources for the municipality.

Revenue generated from Electricity totals to R35.9 million for the budget year and increases to R37.6 million and R39.3 million for the two outer years. NERSA has not announced the revised bulk electricity pricing structure yet. Therefore 6 percent which is a maximum increase allowed by Treasury on circular 99 has been used on the tariff structure and will be will be effective from 1 July 2020.

Considering the Eskom increases, the consumer tariff had to be increased by 6% to offset the additional bulk purchase cost from 1 July 2020. Furthermore, it should be noted that given the magnitude of the tariff increase, it is expected to depress growth in electricity consumption, which will have a negative impact on the municipality's revenue from electricity.

Registered indigents will again be granted 50 kWh per 30-day period free of charge. In addition those residential customers that are not registered as

indigent, but that consume less than 50 kWh per 30-day period will receive 50 kWh free of charge.

Currently Electricity is operating at a deficit. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. Considering the deficit, it is recommended that a comprehensive investigation into the cost structure of Electricity function be undertaken, and that this include investigating alternative service delivery models. The outcomes of this investigation will be incorporated into the next planning cycle. Currently the smart meters are being installed in order to minimize the electricity losses.

Solid Waste

Revenue generated from Solid waste totals to R3.2 million for the budget year and increases to R3.3 million and R3.5 million for the two outer years. An increase of 6% has been applied as this service is operating at a deficit. It must also be noted that an amount of free basic refuse has been reduced from the total revenue expected from refuse removal.

These services are operating at a deficit, the revenue derived from these services is unable to cover expenditure in relation to these services. It is important that the municipality should consider come up with a cost recovery strategy to ensure that they are cost reflective. It is widely accepted that the rendering of this service should at least break even, which is currently not the case.

The Municipality will have to implement a revenue enhancement strategy to ensure that this service can be rendered in a more sustainable manner over the medium to long-term. The main contributors to this deficit are repairs and maintenance on vehicles, increases in general expenditure such as petrol and diesel and the cost of remuneration as well as to some extent lack of billing of commercial businesses in terms of the recognized Polluter Pays Principle as outline in the National Waste Management Strategy of 2008. Considering the

deficit, it is recommended that a comprehensive investigation into the possibility of reviewing our approach to billing in terms of the existing tariff structure as approved by Council.

1.4.3 Other Revenue

Other sources of revenue' which consists of various items such as income received from permits and licenses, building plan fees, connection fees, vat income, investment income and interest from debtors. Departments have been urged to review the tariffs of these items on an annual basis to ensure they are cost reflective and market related.

1.4.5 Operating Grants

Operating grants and transfers totals R192.7 million in the budget year and steadily increases to R196.4 million and R202.7 for the two outer years. The following table gives a breakdown of the revenue and operating grants and subsidies allocated to the municipality over the medium term:

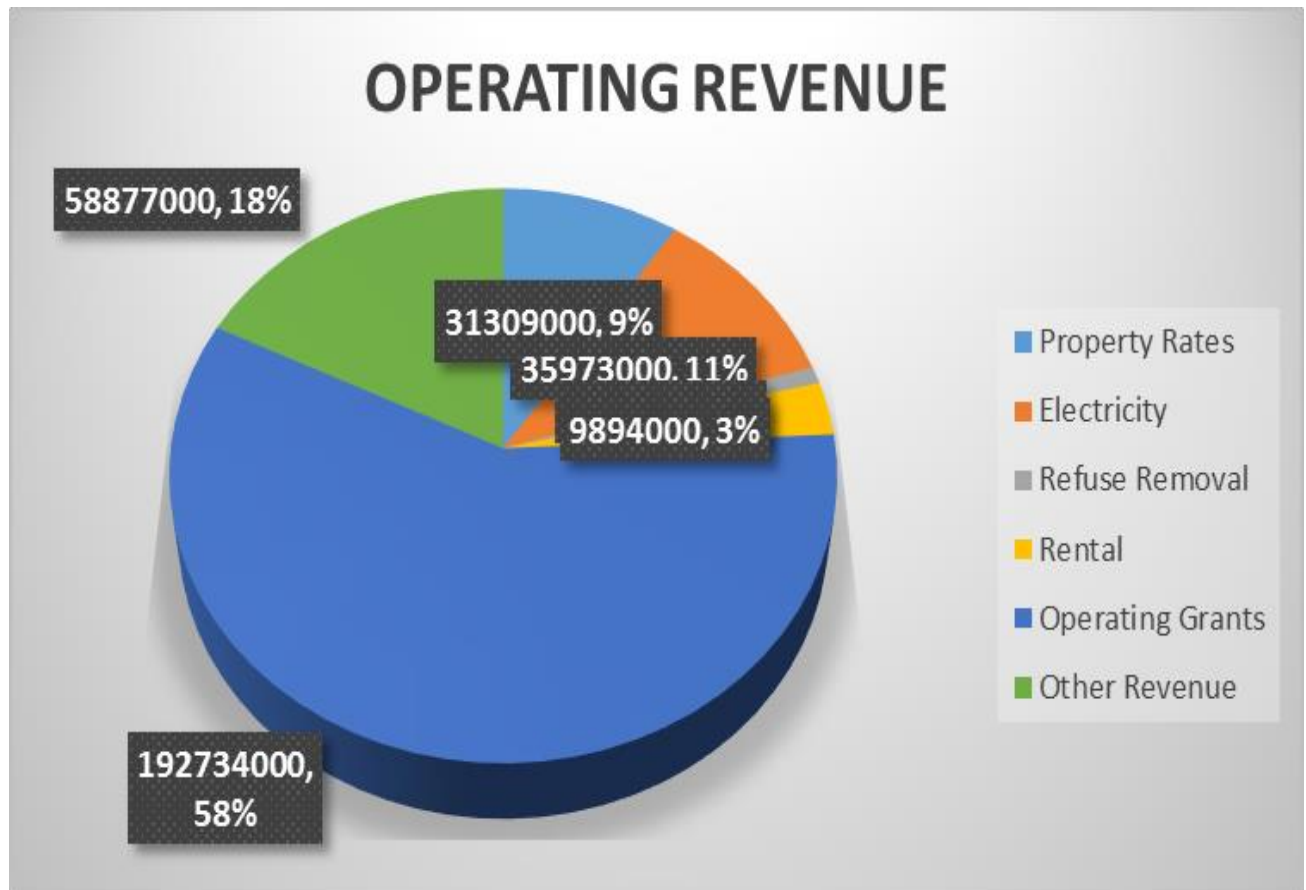


Table SA18 Operating Transfers and Grant Receipts

ELM 2020 – 2021 DRAFT IDP

Choose name from list - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		148 058	168 465	–	159 041	180 041	–	191 984	195 706	202 011
Local Government Equitable Share		127 070	134 116		152 511	152 511		161 277	170 913	178 602
EPWP Incentive		1 863	2 649		2 883	2 883		3 333	–	–
Integrated National Electrification Programme		17 500	30 000		–	21 000		18 739	21 000	19 500
Energy Efficiency and Demand Management		–	–		–	–		5 000	–	–
Finance Management		1 625	1 700		1 700	1 700		1 700	1 700	1 700
		–	–		–	–		–	–	–
Municipal Infrastructure Grant					1 947	1 947		1 935	2 093	2 209
Provincial Government:		750	750	–	750	750	–	750	750	750
Sport and Recreation		750	750		750	750		750	750	750
Sport and Recreation			–		–	–		–	–	–
Sport and Recreation			–		–	–		–	–	–
Financial Management Grant										
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total Operating Transfers and Grants	5	148 808	169 215	–	159 791	180 791	–	192 734	196 456	202 761
Capital Transfers and Grants										
National Government:		42 250	69 622	–	58 001	37 001	–	36 768	39 769	42 505
Municipal Infrastructure Grant (MIG)		42 250	39 587		37 001	37 001		36 768	39 769	42 505
		–	30 035							
INEP					21 000	–				
Provincial Government:		–	–	–	20 305	27 905	–	14 520	–	–
Premiours office					20 305	27 905		14 520	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total Capital Transfers and Grants	5	42 250	69 622	–	78 306	64 906	–	51 288	39 769	42 505
TOTAL RECEIPTS OF TRANSFERS & GRANTS		191 058	238 837	–	238 097	245 697	–	244 022	236 225	245 266

1.4.6 Tariff-Setting

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions and the affordability of services were taken into account to ensure the financial sustainability of the Municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in

ELM 2020 – 2021 DRAFT IDP

excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The table below indicates the tariffs increases as per circular No. 99 and Nersa guidelines in tariff determination.

Catergory	2019/2020 Budget Year	2020/2021 Budget Year	2021/2022 Budget Year	2022/2023 Budget Year
Property Rates	5.2%	4.6%	4.6%	4.6%
Electricity	6%	6%	6%	6%
Solid waste	6%	6%	6%	6%

The following table compares Solid Waste's current and proposed amounts payable from 1 July 2020 with previous year's tariffs:

Refuse Removal - Per Month	2019/2020	2020/2021
Households	R125.52	R133.05
Business	R249.16	R264.10
Townships	R51.72	R 54.82
Loads per removal Business & Refuse garden	R379.36	R402.12
Building Rubble per Load	R702.50	R 744.65
Use of refuse site where the public off load refuse - Price is per cubic meter(Prepaid Coupon)	R34.13	R 36.17
Illegal Dumping- Fine	R4552.32	R 4825.45

Electricity's current and proposed amounts that will be payable from 1July 2020 are detailed on the tariff list which will be approved as the budget related document.

1.1.7 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

Operating Expenditure Framework

The municipality's expenditure framework for the MTREF is informed by the following:

- **Balanced budget constraint** (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- **Funding of the budget over the medium-term** as informed by Section 18 and 19 of the MFMA;
- **The capital programme is aligned to the asset renewal strategy and backlog eradication plan;**
- **Operational gains and efficiencies** will be directed to funding the capital budget and other core services; and
- **Strict adherence to the principle of *no project plan no budget*.** If there is no business plan no funding allocation can be made.

The following table is a high level summary of the MTREF (classified per main type of operating expenditure):

ELM 2020 – 2021 DRAFT IDP

Table A4 Summary of operating expenditure by standard classification item

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue By Source											
Property rates	2	17 218	17 501	23 203	29 932	29 932	29 932	–	31 309	32 749	34 256
Service charges - electricity revenue	2	19 233	24 734	29 137	34 391	34 391	34 391	–	35 973	37 628	39 359
Service charges - water revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	2	4 759	685	4 145	7 461	3 041	3 041	–	3 223	3 372	3 527
Rental of facilities and equipment		1 575	1 463	8 235	9 459	9 459	9 459	–	9 894	10 349	10 825
Interest earned - external investments		4 539	4 778	5 515	2 568	4 500	4 500	–	4 707	4 924	5 150
Interest earned - outstanding debtors		1 804	1 899	1 970	1 369	5 618	5 618	–	5 933	6 206	6 491
Dividends received		–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		472	368	1 166	259	259	259	–	271	284	297
Licences and permits		2 371	2 014	2 796	2 217	2 217	2 217	–	2 318	2 425	2 537
Agency services		–	–	–	520	520	520	–	544	569	595
Transfers and subsidies		152 226	168 566	173 496	159 791	180 791	180 791	–	192 734	196 456	202 761
Other revenue	2	1 308	8 946	1 287	30 000	41 285	41 285	–	44 634	41 857	43 933
Gains		–	–	–	448	448	–	–	468	490	513
Total Revenue (excluding capital transfers and contributions)		205 505	230 953	250 951	278 415	312 462	312 014	–	332 010	337 308	350 243
Expenditure By Type											
Employee related costs	2	70 300	79 764	98 972	100 012	104 900	104 900	–	113 948	119 189	124 672
Remuneration of councillors		10 229	12 028	12 028	12 736	12 736	12 736	–	13 851	14 488	15 154
Debt impairment	3	9 185	1 686	10 085	1 773	1 773	1 773	–	2 061	2 156	2 255
Depreciation & asset impairment	2	26 956	32 793	30 157	34 498	34 498	34 498	–	36 085	37 745	39 481
Finance charges		1 205	1 370	1 489	56	56	56	–	209	218	228
Bulk purchases	2	21 295	20 023	20 821	30 757	30 757	30 757	–	32 171	33 651	35 199
Other materials	8	9 619	13 480	–	1 705	1 902	1 902	–	1 759	1 840	1 925
Contracted services		2 727	2 380	69 241	47 295	70 801	70 801	–	101 542	96 106	97 946
Transfers and subsidies		–	–	2 428	–	–	–	–	–	–	–
Other expenditure	4, 5	72 770	79 714	42 763	54 731	54 327	54 327	–	68 531	71 684	74 981
Losses		–	–	1 259	–	–	–	–	–	–	–
Total Expenditure		224 288	243 237	289 243	283 563	311 750	311 750	–	370 156	377 077	391 841
Surplus/(Deficit)											
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(18 783)	(12 284)	(38 292)	(5 148)	712	264	–	(38 146)	(39 769)	(41 598)
		41 386	70 276	59 981	78 306	64 906	64 906	–	51 288	39 769	42 505
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	6	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		22 603	57 991	21 689	73 158	65 618	65 170	–	13 142	0	907
Taxation		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation		22 603	57 991	21 689	73 158	65 618	65 170	–	13 142	0	907
Attributable to minorities		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		22 603	57 991	21 689	73 158	65 618	65 170	–	13 142	0	907
Share of surplus/ (deficit) of associate	7	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year		22 603	57 991	21 689	73 158	65 618	65 170	–	13 142	0	907

Employee Related Costs

The budgeted allocation for employee related costs for the budget year totals R113.4 million, which equals 31 per cent of the total operating expenditure. A three year collective SALGBC agreement, is still valid and it stipulates that with effect from 01 July 2020, an increase based on the projected CPI percentage for 2020 (4.6%), plus one comma five percent (1.5%). Employee related costs will increase by 8.75% including 2.5% notch increase.

ELM 2020 – 2021 DRAFT IDP

As part of the Municipality's cost reprioritization and cash management strategy vacancies have been significantly rationalized upwards. As part of the planning assumptions and interventions no new vacancies have been provided in this budget except positions that were identified and funded in the previous financial year and were not filled for various reasons. The municipality has budgeted for a deficit therefore it is impossible to increase expenditure,

Remuneration of Councilors

The cost associated with the remuneration of councilors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget. Budget appropriation in this regard totals to R13.8 million and equates to 4 percent of the total operating expenditure.

Debt impairment Provision

The provision of debt impairment was determined based on an annual collection rate of 95 per cent and the Debt Write-off Policy of the municipality. For the budget year this amount equates to R2.0 million and equates to 0.5% of the total operating expenditure and escalates to R2.1million and R2.2 million for the two outer years. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Depreciation Provision

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation in this regard refers to the systematic write off of assets over their useful lives. Budget appropriations in this regard total R36 million for the budget year financial and equates to 9.5 % of the total operating expenditure.

Bulk purchases

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. Budget appropriations in this regard total to R32.1 million for the budget year and equates to 8.5 percent of the total operating budget. The expenditure includes distribution losses.

ELM 2020 – 2021 DRAFT IDP

Other Material

Since the implementation of mSCOA repairs and maintenance are no longer budgeted as the line item on the budget but as the project. Therefore we do not have an amount for Repairs and maintenance on A-schedule.

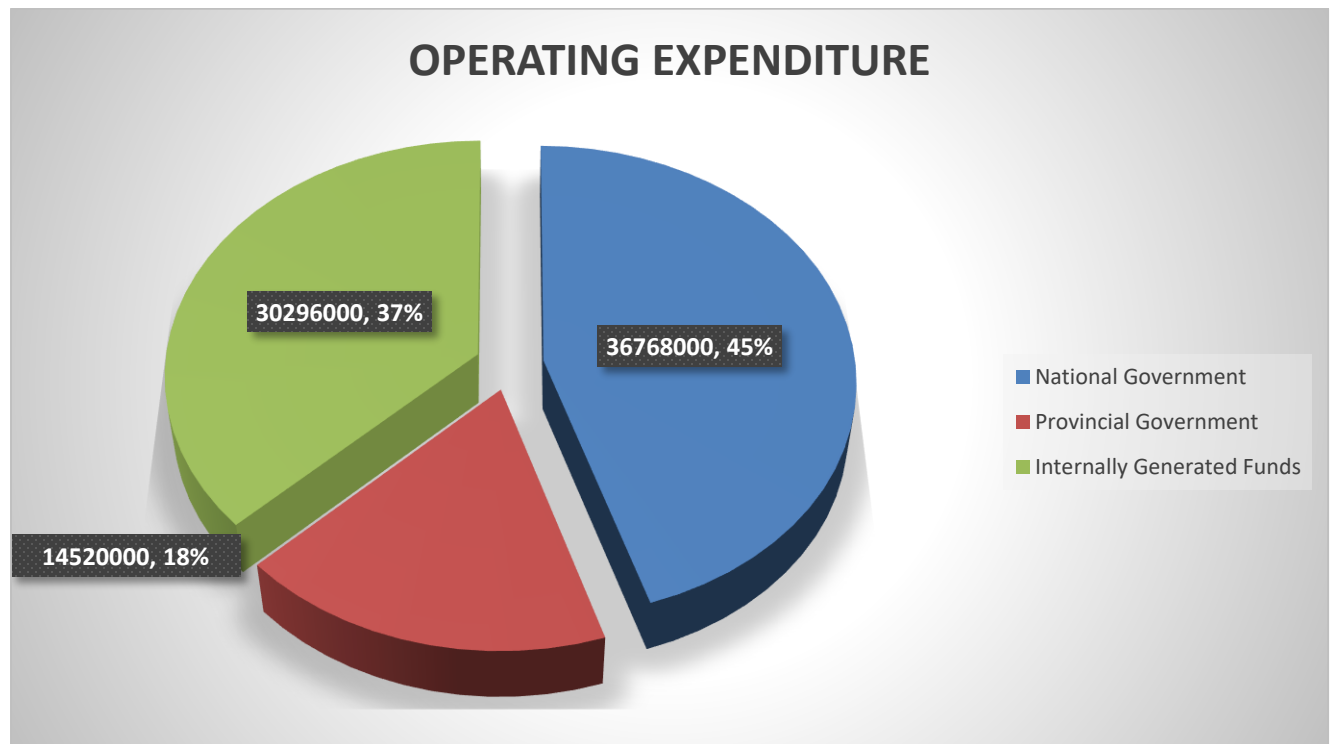
Contracted Services

Contracted expenditure totals to R101.5 million and equates to 27% of the total operating budget.

Other Expenditure

Other expenditure comprises of various line items relating to the daily operations of the municipality. Budget appropriations in this regard totals to R68.5 million and equates to 18 percent.

The following graph gives a breakdown of the main expenditure categories for the 2020/21 financial year.



Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. The target is to register 10 000 or more indigent households during this budget year, a process reviewed annually. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table SA21.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act. In this budget year the municipality made a provision of R15.88 million for free basic services.

1.5.11 Expenditure by major type

1. Bulk purchases have increased over the MTREF period escalating to R101million, R32.1 million and R33.6 million and R35.1 million. These increases can be attributed to the substantial increase in the cost of bulk electricity from Eskom.
2. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

ELM 2020 – 2021 DRAFT IDP

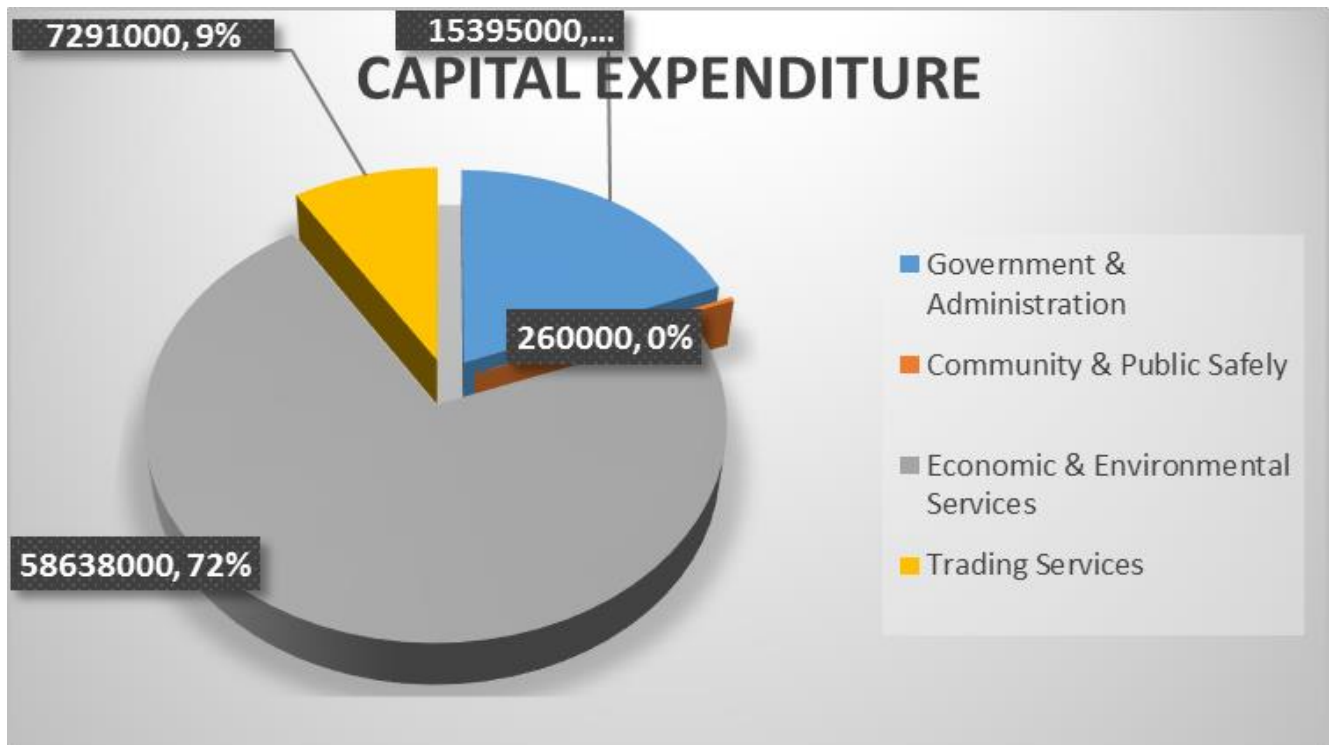
Table 66 2020/21 Medium-term capital budget per vote

Vote Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate dmin		-	-	-	-	-	-	-	-	-	-
Vote 4 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 5 - Strategic Planning Development		-	-	-	-	-	-	-	-	-	-
Vote 6 - Infrastructure Planning & Development		-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		1 626	-	590	1 950	3 050	-	-	1 500	1 569	1 641
Vote 2 - Budget and Treasury		10 521	19 259	12 498	2 627	2 627	-	-	7 745	8 101	8 474
Vote 3 - Corporate dmin		1 352	-	239	2 350	2 350	-	-	6 150	6 433	6 729
Vote 4 - Community Services		1 474	-	1 874	2 334	3 045	-	-	3 340	3 494	3 654
Vote 5 - Strategic Planning Development		262	-	581	1 185	1 685	-	-	1 500	1 569	1 641
Vote 6 - Infrastructure Planning & Development		40 831	51 173	46 373	92 176	75 286	-	-	61 349	38 734	40 881
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		56 065	70 432	62 154	102 622	88 044	-	-	81 584	59 900	63 021
Total Capital Expenditure - Vote		56 065	70 432	62 154	102 622	88 044	-	-	81 584	59 900	63 021
Capital Expenditure - Functional											
Governance and administration		13 499	19 259	13 327	6 927	8 027	8 027	1 671	15 395	16 103	16 844
Executive and council		1 626	-	590	1 950	3 050	3 050	1 170	1 500	1 569	1 641
Finance and administration		10 521	19 259	12 737	4 977	4 977	501	13 895	14 534	15 203	
Internal audit		1 352	-	-	-	-	-	-	-	-	-
Community and public safety		586	-	1 088	962	1 673	1 673	84	260	272	284
Community and social services		116	-	142	162	873	873	84	100	105	109
Sport and recreation		115	-	598	-	-	-	-	150	157	164
Public safety		355	-	348	800	800	800	10	10	10	11
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		37 631	51 173	46 954	64 202	72 812	72 812	43 462	58 638	35 898	37 915
Planning and development		262	-	581	1 185	1 685	1 685	557	1 500	1 569	1 641
Road transport		37 370	51 173	46 373	63 017	71 127	42 905	57 138	34 329	36 274	
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		4 349	-	785	30 531	5 530	5 530	12 939	7 291	7 626	7 977
Energy sources		3 461	-	-	29 159	4 158	4 158	11 737	4 211	4 405	4 607
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		887	-	785	1 372	1 372	1 372	1 202	3 080	3 222	3 370
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	56 065	70 432	62 154	102 622	88 043	88 043	58 156	81 584	59 900	63 021
Funded by:											
National Government		31 964	51 173	46 307	58 001	37 001	37 001	35 286	36 768	39 769	42 505
Provincial Government		-	-	-	20 305	27 905	27 905	13 105	14 520	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	31 964	51 173	46 307	78 306	64 906	64 906	48 391	51 288	39 769	42 505
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		24 101	19 259	15 847	24 316	23 138	23 138	9 765	30 296	20 131	20 516
Total Capital Funding	7	56 065	70 432	62 154	102 622	88 043	88 043	58 156	81 584	59 900	63 021

ELM 2020 – 2021 DRAFT IDP

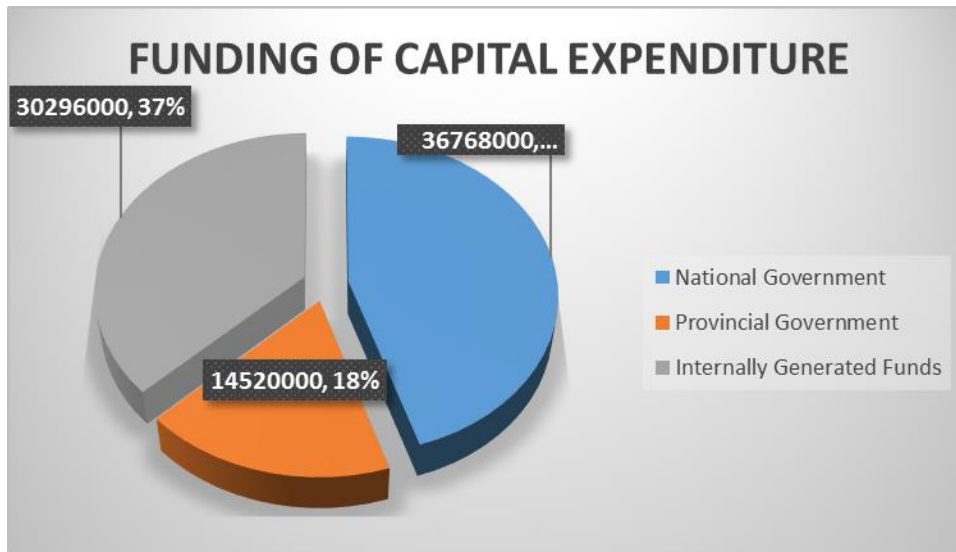
For this budget year an amount of R81.5 million has been appropriated for the development of infrastructure which represents 18 per cent of the total expenditure budget. The amount totals to R59.9 million and R63 million for the outer years.

The following graph gives a breakdown of the Capital expenditure by vote for the 2020/21 financial year.



1.6.1 FUNDING OF THE CAPITAL BUDGET

1. The capital programme is funded from National grants and internally generated funds from previous year surpluses. Capital transfers totals to R30.2 million and escalates to R20.1 million and R20.5million for the two outer years.
2. The graph below illustrate the funding sources for Capital Expenditure



Annual Budget Tables - Elundini Municipality

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2020/21 budget and MTREF as approved by the Council.

Each table is accompanied by *explanatory notes* on the facing page.

Table A1 - Budget Summary

ELM 2020 – 2021 DRAFT IDP

Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousands										
Financial Performance										
Property rates	17 218	17 501	23 203	29 932	29 932	29 932	–	31 309	32 749	34 256
Service charges	23 992	25 418	33 283	41 852	37 432	37 432	–	39 196	41 000	42 885
Investment revenue	4 539	4 778	5 515	2 568	4 500	4 500	–	4 707	4 924	5 150
Transfers recognised - operational	152 226	168 566	173 496	159 791	180 791	180 791	–	192 734	196 456	202 761
Other own revenue	7 530	14 690	15 455	44 272	59 807	59 359	–	64 063	62 180	65 191
Total Revenue (excluding capital transfers and contributions)	205 505	230 953	250 951	278 415	312 462	312 014	–	332 010	337 308	350 243
Employee costs	70 300	79 764	98 972	100 012	104 900	104 900	–	113 948	119 189	124 672
Remuneration of councillors	10 229	12 028	12 028	12 736	12 736	12 736	–	13 851	14 488	15 154
Depreciation & asset impairment	26 956	32 793	30 157	34 498	34 498	34 498	–	36 085	37 745	39 481
Finance charges	1 205	1 370	1 489	56	56	56	–	209	218	228
Materials and bulk purchases	30 914	33 503	20 821	32 461	32 659	32 659	–	33 931	35 492	37 124
Transfers and grants	–	–	2 428	–	–	–	–	–	–	–
Other expenditure	84 683	83 779	123 348	103 799	126 901	126 901	–	172 134	169 945	175 182
Total Expenditure	224 288	243 237	289 243	283 563	311 750	311 750	–	370 156	377 077	391 841
Surplus/(Deficit)	(18 783)	(12 284)	(38 292)	(5 148)	712	264	–	(38 146)	(39 769)	(41 598)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	41 386	70 276	59 981	78 306	64 906	64 906	–	51 288	39 769	42 505
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	22 603	57 991	21 689	73 158	65 618	65 170	–	13 142	0	907
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	22 603	57 991	21 689	73 158	65 618	65 170	–	13 142	0	907
Capital expenditure & funds sources										
Capital expenditure	56 065	70 432	62 154	102 622	88 043	–	–	81 584	59 900	63 021
Transfers recognised - capital	31 964	51 173	46 307	78 306	64 906	–	–	51 288	39 769	42 505
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	24 101	19 259	15 847	24 316	23 138	–	–	30 296	20 131	20 516
Total sources of capital funds	56 065	70 432	62 154	102 622	88 043	–	–	81 584	59 900	63 021
Financial position										
Total current assets	20 244	32 371	107 880	196 716	385 034	–	–	–	–	–
Total non current assets	36 160	36 083	466 807	433 842	516 322	–	–	–	–	–
Total current liabilities	7 268	8 167	63 529	52 310	336 080	–	–	–	–	–
Total non current liabilities	–	–	23 436	16 484	12 366	–	–	–	–	–
Community wealth/Equity	49 136	60 513	487 723	561 764	487 690	–	–	–	–	–
Cash flows										
Net cash from (used) operating	45 976	79 091	567 937	104 701	50 343	–	–	–	–	–
Net cash from (used) investing	(55 625)	(61 967)	(61 952)	(102 622)	(88 043)	–	–	–	–	–
Net cash from (used) financing	(148)	–	208	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	41 918	59 055	565 464	114 642	74 863	–	–	–	–	–
Cash backing/surplus reconciliation										
Cash and investments available	5 383	2 259	77 125	112 563	17 831	–	–	–	–	–
Application of cash and investments	(1 908)	(3 986)	18 074	(35 363)	5 825	–	–	–	–	–
Balance - surplus (shortfall)	7 291	6 245	59 051	147 926	12 006	–	–	–	–	–
Asset management										
Asset register summary (WDV)	–	–	–	362 515	362 515	–	–	–	–	–
Depreciation	–	–	–	34 498	34 498	–	–	36 085	37 745	39 481
Renewal and Upgrading of Existing Assets	–	–	–	7 981	–	–	–	8 348	8 732	9 134
Repairs and Maintenance	–	–	–	10 270	10 270	–	–	–	–	–
Free services										
Cost of Free Basic Services provided	–	–	–	5 564	5 564	5 564	5 820	5 820	6 087	6 367
Revenue cost of free services provided	–	–	–	2 229	2 229	2 229	10 000	10 000	10 460	10 941
Households below minimum service level										
Water:	–	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–

Explanatory notes to Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasizes the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognized is reflected on the Financial Performance Budget;
 - ii. Internally generated funds is financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation indicates that the municipality is paying much attention in managing of its finances mainly building of internal reserves that can be cash- backed to fund the budget.
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

ELM 2020 – 2021 DRAFT IDP

Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Functional Classification Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand	1									
Revenue - Functional										
<i>Governance and administration</i>		156 450	169 884	170 175	209 191	223 347	-	232 490	240 459	251 883
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		156 450	169 884	170 175	209 191	223 347	-	232 490	240 459	251 883
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		2 888	3 417	6 592	6 437	7 148	-	7 760	8 083	8 420
Community and social services		175	1 133	2 614	3 665	4 377	-	4 861	5 050	5 248
Sport and recreation		11	-	-	21	21	-	22	23	24
Public safety		2 702	2 284	3 978	2 750	2 750	-	2 877	3 009	3 148
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		45 498	72 691	68 299	74 826	82 926	-	70 034	59 447	62 568
Planning and development		80	84	62	2 084	2 584	-	2 601	2 790	2 937
Road transport		45 419	72 607	68 238	72 741	80 341	-	67 433	56 657	59 630
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		42 045	55 237	65 867	66 267	63 947	-	73 013	69 053	69 764
Energy sources		36 769	54 552	59 744	58 807	60 907	-	65 549	64 734	65 245
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		5 276	685	6 123	7 461	3 041	-	7 463	4 320	4 518
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	246 882	301 228	310 932	356 721	377 368	-	383 298	377 041	392 634
Expenditure - Functional										
<i>Governance and administration</i>		113 196	136 483	127 892	172 839	142 025	-	164 983	172 572	180 353
Executive and council		29 857	30 031	45 757	50 850	51 262	-	56 481	59 079	61 797
Finance and administration		83 339	106 452	82 135	121 989	90 762	-	108 502	113 493	118 556
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		17 293	18 258	21 910	24 613	25 363	-	26 404	27 584	28 819
Community and social services		2 528	4 031	6 192	6 821	6 943	-	7 073	7 364	7 668
Sport and recreation		6 470	7 672	8 267	8 377	8 780	-	8 983	9 396	9 829
Public safety		7 525	6 554	7 451	9 414	9 639	-	10 348	10 824	11 322
Housing		769	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		42 583	21 006	57 657	57 029	58 569	-	71 879	75 185	78 644
Planning and development		8 594	7 540	7 133	14 898	16 189	-	19 573	20 474	21 415
Road transport		33 989	13 466	50 523	42 131	42 381	-	52 306	54 712	57 228
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		51 216	67 490	81 784	61 144	85 794	-	106 890	101 700	103 912
Energy sources		33 347	56 554	61 542	44 117	67 267	-	83 093	76 808	77 875
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		17 869	10 936	20 242	17 027	18 527	-	23 797	24 892	26 037
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	224 288	243 237	289 243	315 624	311 750	-	370 156	377 042	391 728
Surplus/(Deficit) for the year		22 593	57 991	21 689	41 096	65 618	-	13 142	(0)	907

ELM 2020 – 2021 DRAFT IDP

Explanatory notes to Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognized – capital) and so does not balance to the operating revenue shown on Table A4.
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is not the case for Electricity and Waste management functions. As already noted above, the municipality will be undertaking a detailed study of this function to explore ways of improving efficiencies and provide a basis for re-evaluating the function's tariff structure.
4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue and Equitable share.

Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand										
Revenue by Vote	1									
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury		156 460	169 884	170 048	209 191	223 347	-	232 490	240 459	251 883
Vote 3 - Corporate dmin		-	127	-	-	-	-	-	-	-
Vote 4 - Community Services		8 164	4 101	12 714	13 898	10 189	-	15 224	12 402	12 938
Vote 5 - Strategic Planning Development		80	84	62	2 084	2 584	-	2 601	2 790	2 937
Vote 6 - Infrastructure Planning & Development		82 188	127 159	127 981	131 548	141 248	-	132 983	121 391	124 876
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	246 891	301 229	310 932	356 721	377 368	-	383 298	377 041	392 634
Expenditure by Vote to be appropriated	1									
Expenditure by Vote		29 857	30 031	45 757	50 850	51 262	-	56 481	59 079	61 797
Vote 2 - Budget and Treasury		63 601	86 154	59 635	52 721	53 121	-	66 811	69 884	72 941
Vote 3 - Corporate dmin		19 739	20 298	22 500	69 268	37 642	-	41 691	43 609	45 615
Vote 4 - Community Services		35 162	29 193	42 152	41 639	43 889	-	50 201	52 476	54 856
Vote 5 - Strategic Planning Development		8 594	7 540	7 133	10 707	16 189	-	19 573	20 474	21 415
Vote 6 - Infrastructure Planning & Development		67 336	70 021	112 065	90 439	109 648	-	135 398	131 520	135 103
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	224 288	243 237	289 243	315 624	311 751	-	370 156	377 042	391 727
Surplus/(Deficit) for the year	2	22 603	57 992	21 689	41 096	65 617	-	13 142	(0)	907

Explanatory notes to Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

1. **Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organizational structure of the municipality. This means it is possible to present the operating surplus or deficit of a vote.**

Table A4 - Budgeted Financial Performance (revenue and expenditure)

ELM 2020 – 2021 DRAFT IDP

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue By Source											
Property rates	2	17 218	17 501	23 203	29 932	29 932	29 932	–	31 309	32 749	34 256
Service charges - electricity revenue	2	19 233	24 734	29 137	34 391	34 391	34 391	–	35 973	37 628	39 359
Service charges - water revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	2	4 759	685	4 145	7 461	3 041	3 041	–	3 223	3 372	3 527
Rental of facilities and equipment		1 575	1 463	8 235	9 459	9 459	9 459		9 894	10 349	10 825
Interest earned - external investments		4 539	4 778	5 515	2 568	4 500	4 500		4 707	4 924	5 150
Interest earned - outstanding debtors		1 804	1 899	1 970	1 369	5 618	5 618		5 933	6 206	6 491
Dividends received		–	–	–	–	–	–		–	–	–
Fines, penalties and forfeits		472	368	1 166	259	259	259		271	284	297
Licences and permits		2 371	2 014	2 796	2 217	2 217	2 217		2 318	2 425	2 537
Agency services					520	520	520		544	569	595
Transfers and subsidies		152 226	168 566	173 496	159 791	180 791	180 791		192 734	196 456	202 761
Other revenue	2	1 308	8 946	1 287	30 000	41 285	41 285	–	44 634	41 857	43 933
Gains					448	448			468	490	513
Total Revenue (excluding capital transfers and contributions)		205 505	230 953	250 951	278 415	312 462	312 014	–	332 010	337 308	350 243
Expenditure By Type											
Employee related costs	2	70 300	79 764	98 972	100 012	104 900	104 900	–	113 948	119 189	124 672
Remuneration of councillors		10 229	12 028	12 028	12 736	12 736	12 736		13 851	14 488	15 154
Debt impairment	3	9 185	1 686	10 085	1 773	1 773	1 773		2 061	2 156	2 255
Depreciation & asset impairment	2	26 956	32 793	30 157	34 498	34 498	34 498	–	36 085	37 745	39 481
Finance charges		1 205	1 370	1 489	56	56	56		209	218	228
Bulk purchases	2	21 295	20 023	20 821	30 757	30 757	30 757	–	32 171	33 651	35 199
Other materials	8	9 619	13 480		1 705	1 902	1 902		1 759	1 840	1 925
Contracted services		2 727	2 380	69 241	47 295	70 801	70 801	–	101 542	96 106	97 946
Transfers and subsidies		–	–	2 428	–	–	–	–	–	–	–
Other expenditure	4, 5	72 770	79 714	42 763	54 731	54 327	54 327	–	68 531	71 684	74 981
Losses				1 259							
Total Expenditure		224 288	243 237	289 243	283 563	311 750	311 750	–	370 156	377 077	391 841
Surplus/(Deficit)		(18 783)	(12 284)	(38 292)	(5 148)	712	264	–	(38 146)	(39 769)	(41 598)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		41 386	70 276	59 981	78 306	64 906	64 906		51 288	39 769	42 505
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	6	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)											
Surplus/(Deficit) after capital transfers & contributions		22 603	57 991	21 689	73 158	65 618	65 170	–	13 142	0	907
Taxation											
Surplus/(Deficit) after taxation		22 603	57 991	21 689	73 158	65 618	65 170	–	13 142	0	907
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		22 603	57 991	21 689	73 158	65 618	65 170	–	13 142	0	907
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		22 603	57 991	21 689	73 158	65 618	65 170	–	13 142	0	907

ELM 2020 – 2021 DRAFT IDP

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

- 3. Total revenue is 332 million in the budget year and escalates to R337 million and R350 for the outer years.**
- 4. Revenue to be generated from property rates is R31.3 million in the budget year and increases to R32.7 million and R32.4 million in the outer years. The property Rates represents 5.7 per cent of the operating revenue base of the municipality and clearly shows that the municipality is grant depended it cannot sustain itself should the grants be taken away.**
- 5. Services charges relating to electricity, and refuse removal constitutes the biggest component of the revenue basket of the municipality totaling R39.1 million in the budget year and increasing to R41 million and R42.8 million for the outer years. For the budget year services charges amount to 8 per cent of the total revenue base and grows by 9 per cent per annum over the medium-term.**
- 6. Transfers recognized – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real terms the grants receipts from national government are decreasing over the MTREF.**

ELM 2020 – 2021 DRAFT IDP

Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Vote Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate dmin		-	-	-	-	-	-	-	-	-	-
Vote 4 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 5 - Strategic Planning Development		-	-	-	-	-	-	-	-	-	-
Vote 6 - Infrastructure Planning & Development		-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		1 626	-	590	1 950	3 050	-	-	1 500	1 569	1 641
Vote 2 - Budget and Treasury		10 521	19 259	12 498	2 627	2 627	-	-	7 745	8 101	8 474
Vote 3 - Corporate dmin		1 352	-	239	2 350	2 350	-	-	6 150	6 433	6 729
Vote 4 - Community Services		1 474	-	1 874	2 334	3 045	-	-	3 340	3 494	3 654
Vote 5 - Strategic Planning Development		262	-	581	1 185	1 685	-	-	1 500	1 569	1 641
Vote 6 - Infrastructure Planning & Development		40 831	51 173	46 373	92 176	75 286	-	-	61 349	38 734	40 881
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		56 065	70 432	62 154	102 622	88 044	-	-	81 584	59 900	63 021
Total Capital Expenditure - Vote		56 065	70 432	62 154	102 622	88 044	-	-	81 584	59 900	63 021
Capital Expenditure - Functional											
Governance and administration		13 499	19 259	13 327	6 927	8 027	-	-	15 395	16 103	16 844
Executive and council		1 626	-	590	1 950	3 050	-	-	1 500	1 569	1 641
Finance and administration		10 521	19 259	12 737	4 977	4 977	-	-	13 895	14 534	15 203
Internal audit		1 352	-	-	-	-	-	-	-	-	-
Community and public safety		586	-	1 088	962	1 673	-	-	260	272	284
Community and social services		116	-	142	162	873	-	-	100	105	109
Sport and recreation		115	-	598	-	-	-	-	150	157	164
Public safety		355	-	348	800	800	-	-	10	10	11
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		37 631	51 173	46 954	64 202	72 812	-	-	58 638	35 898	37 915
Planning and development		262	-	581	1 185	1 685	-	-	1 500	1 569	1 641
Road transport		37 370	51 173	46 373	63 017	71 127	-	-	57 138	34 329	36 274
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		4 349	-	785	30 531	5 530	-	-	7 291	7 626	7 977
Energy sources		3 461	-	-	29 159	4 158	-	-	4 211	4 405	4 607
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		887	-	785	1 372	1 372	-	-	3 080	3 222	3 370
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	56 065	70 432	62 154	102 622	88 043	-	-	81 584	59 900	63 021
Funded by:											
National Government		31 964	51 173	46 307	58 001	37 001	-	-	36 768	39 769	42 505
Provincial Government		-	-	-	20 305	27 905	-	-	14 520	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	31 964	51 173	46 307	78 306	64 906	-	-	51 288	39 769	42 505
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		24 101	19 259	15 847	24 316	23 138	-	-	30 296	20 131	20 516
Total Capital Funding	7	56 065	70 432	62 154	102 622	88 043	-	-	81 584	59 900	63 021

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

3. **Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.**
4. **Single-year capital expenditure has been appropriated at R81.5 million for the budget year and R59.9 million and R63 million for the two outer years.**
5. **Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.**

ELM 2020 – 2021 DRAFT IDP

Table A6 - Budgeted Financial Position

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand											
ASSETS											
Current assets											
Cash		6 104	5 383	2 259	1 334	1 334	1 334		1 334	1 406	1 482
Call investment deposits	1	–	–	–	106 576	106 576	106 576	–	106 576	112 331	118 396
Consumer debtors	1	–	–	–	47 617	47 617	47 617	–	47 617	50 188	52 898
Other debtors		3 544	2 782	5 323	11 734	11 734	11 734		11 734	12 367	13 035
Current portion of long-term receivables		7 209	12 079	24 789					–		
Inventory	2				265	265	265		265	12 367	13 035
Total current assets		16 857	20 244	32 371	167 525	167 525	167 525	–	167 525	188 660	198 848
Non current assets											
Long-term receivables											
Investments											
Investment property		36 237	36 160	36 083	36 199	36 199	36 199		36 199	38 154	40 214
Investment in Associates											
Property, plant and equipment	3	–	–	–	378 257	378 257	378 257	–	378 257	398 682	420 211
Biological											
Intangible		227	0	0							
Other non-current assets											
Total non current assets		36 237	36 160	36 310	414 456	414 456	414 456	–	414 456	436 836	460 425
TOTAL ASSETS		53 095	56 404	68 681	581 981	581 981	581 981	–	581 981	625 496	659 273
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	–	–	–	367	367	367	–	367	387	408
Consumer deposits		388	402	399	643	643	643		643	38 154	40 214
Trade and other payables	4	–	–	–	38 144	38 144	38 144	–	38 144	40 204	42 375
Provisions		10 400	6 867	7 768	6 857	6 857	6 857		6 857	38 154	40 214
Total current liabilities		10 788	7 268	8 167	46 011	46 011	46 011	–	46 011	116 899	123 211
Non current liabilities											
Borrowing		–	–	–	335	335	335	–	335	353	372
Provisions		–	–	–	15 679	15 679	15 679	–	15 679	16 526	17 418
Total non current liabilities		–	–	–	16 014	16 014	16 014	–	16 014	16 879	17 790
TOTAL LIABILITIES		10 788	7 268	8 167	62 024	62 024	62 024	–	62 024	133 777	141 001
NET ASSETS	5	42 307	49 136	60 513	519 957	519 957	519 957	–	519 957	491 719	518 272
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		42 307	49 136	60 513	519 957	519 957	519 957		519 957	491 719	518 272
Reserves	4	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	5	42 307	49 136	60 513	519 957	519 957	519 957	–	519 957	491 719	518 272

Explanatory notes to Table A6 - Budgeted Financial Position

- Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
- This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
- Table A6s supported by an extensive table of notes (SA3) providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;

ELM 2020 – 2021 DRAFT IDP

- Provisions noncurrent;
 - Changes in net assets; and
 - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		13 078	13 338	43 140	16 606	16 606	16 606		22 199	29 248	30 827
Service charges		18 123	15 400		23 127	23 127	23 127		27 420	35 314	37 221
Other revenue		5 275	4 695		33 766	33 766	33 766		34 975	36 864	38 854
Government - operating	1	158 687	151 357	168 566	173 745	174 245	174 245		188 791	192 659	203 058
Government - capital	1	31 904	41 386	70 276	67 795	67 795	67 795		-	-	-
Interest		5 053	6 342	8 139	3 680	3 680	3 680		3 936	4 149	4 373
Dividends									-	-	-
Payments											
Suppliers and employees		(173 258)	(186 455)	(209 328)	(239 637)	(283 535)	(283 535)		(251 432)	(315 644)	(332 689)
Finance charges		(19)	(87)	(1 702)	(53)	(53)	(53)		(56)	(59)	(62)
Transfers and Grants	1								-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		58 844	45 976	79 091	79 029	35 631	35 631	-	25 834	(17 470)	(18 418)
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		372	440	1 034					37 001	38 947	41 748
Decrease (Increase) in non-current debtors									-	-	-
Decrease (increase) other non-current receivables									-	-	-
Decrease (increase) in non-current investments									-	-	-
Payments											
Capital assets		(41 221)	(56 065)	(63 001)	(88 151)	(88 151)	(88 151)		(64 736)	(68 232)	(71 917)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(40 849)	(55 625)	(61 967)	(88 151)	(88 151)	(88 151)	-	(27 736)	(29 285)	(30 169)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									-	-	-
Borrowing long term/refinancing									-	-	-
Increase (decrease) in consumer deposits									-	-	-
Payments											
Repayment of borrowing		(110)	(148)						-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		(110)	(148)	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		17 884	(9 798)	17 124	(9 122)	(52 520)	(52 520)	-	(1 902)	(46 755)	(48 586)
Cash/cash equivalents at the year begin:	2	33 806	51 716	41 932	115 779	115 779	115 779		92 543	90 642	43 887
Cash/cash equivalents at the year end:	2	51 690	41 918	59 055	106 657	63 259	63 259	-	90 642	43 887	(4 699)

ELM 2020 – 2021 DRAFT IDP

Choose name from list - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	51 690	41 918	59 055	106 657	63 259	63 259	–	90 642	43 887	(4 699)
Other current investments > 90 days		(45 585)	(36 535)	(56 796)	1 253	44 651	44 651	–	17 268	69 850	124 578
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		6 104	5 383	2 259	107 910	107 910	107 910	–	107 910	113 737	119 879
Application of cash and investments											
Unspent conditional transfers		–	–	–	–	–	–	–	–	–	–
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2										
Other working capital requirements	3	(22 453)	(14 947)	(39 980)	(5 259)	(2 824)	(2 824)	–	(947)	(4 894)	(5 381)
Other provisions											
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		(22 453)	(14 947)	(39 980)	(5 259)	(2 824)	(2 824)	–	(947)	(4 894)	(5 381)
Surplus(shortfall)		28 557	20 330	42 239	113 169	110 734	110 734	–	108 857	118 631	125 260

ELM 2020 – 2021 DRAFT IDP

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	56 065	70 432	–	94 641	88 043	–	73 236	76 605	80 128
Roads Infrastructure		17 796	51 173	–	51 324	67 181	–	48 740	50 982	53 327
Storm water Infrastructure		14 168	–	–	–	4 159	–	4 211	4 405	4 607
Electrical Infrastructure		3 394	–	–	29 159	–	–	–	–	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		35 358	51 173	–	80 483	71 340	–	52 951	55 386	57 934
Community Facilities		–	–	–	1 500	4 591	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		–	–	–	1 500	4 591	–	–	–	–
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		20 707	19 259	–	2 483	2 033	–	6 400	6 694	7 002
Housing		–	–	–	–	–	–	–	–	–
Other Assets		20 707	19 259	–	2 483	2 033	–	6 400	6 694	7 002
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	1 800	–	–	1 430	1 496	1 565
Intangible Assets		–	–	–	1 800	–	–	1 430	1 496	1 565
Computer Equipment		–	–	–	1 914	1 219	–	–	–	–
Furniture and Office Equipment		–	–	–	484	2 706	–	–	–	–
Machinery and Equipment		–	–	–	2 277	2 605	–	9 445	9 880	10 334
Transport Assets		–	–	–	3 700	3 550	–	3 010	3 148	3 293
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Total Renewal of Existing Assets										
Roads Infrastructure	2	–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		–	–	–	–	–	–	–	–	–
Community Facilities		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		–	–	–	–	–	–	–	–	–
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Total Upgrading of Existing Assets										
Roads Infrastructure	6	–	–	–	7 981	–	–	8 348	8 732	9 134
Storm water Infrastructure		–	–	–	7 981	–	–	8 348	8 732	9 134
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		–	–	–	7 981	–	–	8 348	8 732	9 134
Community Facilities		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		–	–	–	–	–	–	–	–	–
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Total Capital Expenditure										
Roads Infrastructure	4	56 065	70 432	–	102 622	88 043	–	81 584	85 337	89 262
Storm water Infrastructure		17 796	51 173	–	59 305	67 181	–	57 088	59 714	62 461
Electrical Infrastructure		14 168	–	–	–	4 159	–	4 211	4 405	4 607
Water Supply Infrastructure		3 394	–	–	29 159	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		35 358	51 173	–	88 464	71 340	–	61 299	64 119	67 068
Community Facilities		–	–	–	1 500	4 591	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		–	–	–	1 500	4 591	–	–	–	–
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		20 707	19 259	–	2 483	2 033	–	6 400	6 694	7 002
Housing		–	–	–	–	–	–	–	–	–
Other Assets		20 707	19 259	–	2 483	2 033	–	6 400	6 694	7 002
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	1 800	–	–	1 430	1 496	1 565
Intangible Assets		–	–	–	1 800	–	–	1 430	1 496	1 565
Computer Equipment		–	–	–	1 914	1 219	–	–	–	–
Furniture and Office Equipment		–	–	–	484	2 706	–	–	–	–
Machinery and Equipment		–	–	–	2 277	2 605	–	9 445	9 880	10 334
Transport Assets		–	–	–	3 700	3 550	–	3 010	3 148	3 293
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
TOTAL CAPITAL EXPENDITURE - Asset class										
		56 065	70 432	–	102 622	88 043	–	81 584	85 337	89 262
ASSET REGISTER SUMMARY - PPE (WDV)										
	5	–	–	–	362 515	362 515	–	487 250	509 663	533 108

ELM 2020 – 2021 DRAFT IDP

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Household service targets	1									
Water:										
Piped water inside dwelling		–	–	–	–	–	–	–	–	–
Piped water inside yard (but not in dwelling)		–	–	–	–	–	–	–	–	–
Using public tap (at least min. service level)	2	–	–	–	–	–	–	–	–	–
Other water supply (at least min. service level)	4	–	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>	3	–	–	–	–	–	–	–	–	–
Using public tap (< min. service level)	4	–	–	–	–	–	–	–	–	–
Other water supply (< min. service level)	4	–	–	–	–	–	–	–	–	–
No water supply		–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		–	–	–	–	–	–	–	–	–
Flush toilet (with septic tank)		–	–	–	–	–	–	–	–	–
Chemical toilet		–	–	–	–	–	–	–	–	–
Pit toilet (ventilated)		–	–	–	–	–	–	–	–	–
Other toilet provisions (> min. service level)		–	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>		–	–	–	–	–	–	–	–	–
Bucket toilet		–	–	–	–	–	–	–	–	–
Other toilet provisions (< min. service level)		–	–	–	–	–	–	–	–	–
No toilet provisions		–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–
Energy:										
Electricity (at least min. service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (min. service level)		–	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>		–	–	–	–	–	–	–	–	–
Electricity (< min. service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)		–	–	–	–	–	–	–	–	–
Other energy sources		–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–
Refuse:										
Removed at least once a week		–	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>		–	–	–	–	–	–	–	–	–
Removed less frequently than once a week		–	–	–	–	–	–	–	–	–
Using communal refuse dump		–	–	–	–	–	–	–	–	–
Using own refuse dump		–	–	–	–	–	–	–	–	–
Other rubbish disposal		–	–	–	–	–	–	–	–	–
No rubbish disposal		–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (free minimum level service)		–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per household per month)		–	–	–	–	–	–	–	–	–
Refuse (removed at least once a week)		–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per indigent household per month)		–	–	–	–	–	–	–	–	–
Sanitation (free sanitation service to indigent households)		–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per indigent household per month)		–	–	–	3 092	3 092	3 092	3 235	3 383	3 539
Refuse (removed once a week for indigent households)		–	–	–	2 471	2 471	2 471	2 585	2 704	2 828
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		–	–	–	–	–	–	–	–	–
Total cost of FBS provided		–	–	–	5 564	5 564	5 564	5 820	6 087	6 367
Highest level of free service provided per household										
Property rates (R value threshold)										
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)										
Refuse (average litres per week)										
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)										
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		–	–	–	2 229	2 229	2 229	10 000	10 460	10 941
Water (in excess of 6 kilolitres per indigent household per month)		–	–	–	–	–	–	–	–	–
Sanitation (in excess of free sanitation service to indigent households)		–	–	–	–	–	–	–	–	–
Electricity/other energy (in excess of 50 kwh per indigent household per month)		–	–	–	–	–	–	–	–	–
Refuse (in excess of one removal a week for indigent households)		–	–	–	–	–	–	–	–	–
Municipal Housing - rental rebates	6									
Housing - top structure subsidies										
Other										
Total revenue cost of subsidised services provided		–	–	–	2 229	2 229	2 229	10 000	10 460	10 941

ELM 2020 – 2021 DRAFT IDP

Choose name from list - Table A10 Basic service delivery measurement

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Household service targets	1									
Water:										
Piped water inside dwelling		-	-	-	-	-	-	-	-	-
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		-	-	-	-	-	-	-	-	-
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Energy:										
Electricity (at least min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Refuse:										
Removed at least once a week		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		-	-	-	3 092	3 092	3 092	3 235	3 383	3 539
Refuse (removed once a week for indigent households)		-	-	-	2 471	2 471	2 471	2 585	2 704	2 828
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		-	-	-	-	-	-	-	-	-
Total cost of FBS provided		-	-	-	5 564	5 564	5 564	5 820	6 087	6 367
Highest level of free service provided per household										
Property rates (R value threshold)										
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)										
Refuse (average litres per week)										
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)										
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		-	-	-	2 229	2 229	2 229	10 000	10 460	10 941
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-
Housing - top structure subsidies		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total revenue cost of subsidised services provided	6	-	-	-	2 229	2 229	2 229	10 000	10 460	10 941

Part 2 – Supporting Documentation

3.1 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Portfolio Head for Finance.

The primary aims of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

3.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in September 2018) a time schedule that sets out the process to revise the IDP and prepare the budget.

ELM 2020 – 2021 DRAFT IDP

The Mayor tabled in Council the required the IDP and budget time schedule on 30 September 2019. Key dates applicable to the process were:

- September 2019 – **Joint strategic planning session of the Mayoral Committee and Executive Management. Aim: to review past performance trends of the capital and operating budgets, the economic realities and to set the prioritization criteria for the compilation of the 2011/12 MTREF;**
- July/Aug 2019 – **Detail departmental budget proposals (capital and operating) submitted to the Budget and Treasury Office for consolidation and assessment against the financial planning guidelines;**
- August 2019 - **Review of the financial strategy and key economic and financial planning assumptions by the Budget Steering Committee. This included financial forecasting and scenario considerations;**
- January 2020 – **Multi-year budget proposals are submitted to the Mayoral Committee for endorsement;**
- February 2020 - **Council considers the 2019/20 Mid-year Review and Adjustments Budget;**
-
- March 2020 - **Recommendations of the Executive Committee are communicated to the Budget Steering Committee, and on to the respective departments. The draft 2020/21 MTREF is revised accordingly;**
- 29 March 2020 - **Tabling in Council of the draft 2019/20 IDP and 2021/2022 MTREF for public consultation;**
- May 2018 – **Public consultation;**
- April 2018 - **Closing date for written comments;**
- June 2018 – **finalization of the 2020/24 IDP and 2019/20 to 2021/2022 MTREF, taking into consideration comments received from the public, comments from National Treasury, and updated information from the most recent Division of Revenue Bill and financial framework; and**
- June 2018 - **Approval of the 2020/2021-2022/2023 MTREF before Council for consideration and approval.**

There were no deviations from the key dates set out in the Budget Time Schedule tabled in Council.

ELM 2020 – 2021 DRAFT IDP

3.1.2 IDP and Service Delivery and Budget Implementation Plan

This is the fifth review of the IDP as adopted by Council in June 2020. It started in September 2019 after the tabling of the IDP Process Plan and the Budget Time Schedule for the 2021/23 MTREF in September.

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the fourth revision cycle included the following key IDP processes and deliverables:

- Registration of community needs;**
- Compilation of departmental business plans including key performance indicators and targets;**
- Financial planning and budgeting process;**
- Public participation process;**
- Compilation of the SDBIP, and**
- The review of the performance management and monitoring processes.**

The IDP has been taken into a business and financial planning process leading up to the 2020/21 MTREF, based on the approved 2018/19 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2020/23 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2019/20 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

3.1.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2021/23 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2021/23 MTREF:

- Municipality's growth**

ELM 2020 – 2021 DRAFT IDP

- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2019/20 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 99 has been taken into consideration in the planning and prioritisation process.

3.1.4 Community Consultation

The final 2021/23 MTREF as tabled before Council on 31 March 2020 for community consultation was published on the municipality's website, and hard copies were made available at customer care offices, municipal notice boards and various libraries. In addition a further development of this year's consultation process included the launch of E-based consultation. E-mail notifications were sent to all organisations on the municipality's database, including ratepayer associations, community-based organisations and organised business. The opportunity to give electronic feedback was also communicated on the Municipality's website, and the Municipality's call centre was engaged in collecting inputs via e-mail, fax and SMS.

All documents in the appropriate format (electronic and printed) were provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

Ward Committees were utilised to facilitate the community consultation process from 23 to 29 May 2020, and included nine public briefing sessions. The applicable dates and venues were published in all the local newspapers and on average attendance of 5000 was recorded per meeting. This is up on the previous year's process. This can be attributed to the additional initiatives that were launched during

the consultation process, including the specific targeting of ratepayer associations. Individual sessions were scheduled with organised business and imbizo's were held to further ensure transparency and interaction. Other stakeholders involved in the consultation included churches, non-governmental institutions and community-based organisations.

Submissions received during the community consultation process and additional information regarding revenue and expenditure and individual capital projects were addressed, and where relevant considered as part of the finalisation of the 2021/23 MTREF. Feedback and responses to the submissions received are available on request.

3.2 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the Municipality's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning ;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPIs);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2021 Vision;

ELM 2020 – 2021 DRAFT IDP

- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2020/2021 MTREF and further planning refinements that have directly informed the compilation of the budget:

Table 67 IDP Strategic Objectives

2019/20 Financial Year		2020/21 MTREF	
1.	Accelerate service delivery and infrastructure development	1.	Accelerate service delivery and infrastructure development
2.	Promote economic growth, environment sustainability and creation of decent jobs	2.	Promote economic growth, environmental sustainability and creation of decent jobs
3.	To improve the effectiveness of governance administrative and financial systems	3.	To improve the effectiveness of governance administrative and financial systems

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the five strategic objectives:

1. Provision of quality basic services and infrastructure which includes, amongst others:

- Provide electricity;
- Provide waste removal;
- Provide roads and storm water;
- Maintaining the infrastructure of the Municipality.

2. Economic growth and development that leads to sustainable job creation by:

- Ensuring there is a clear structural plan for the Municipality;
- Ensuring planning processes function in accordance with set timeframes;
- Facilitating the use of labour intensive approaches in the delivery of services and the building of infrastructure.

3.1 Fight poverty and build clean, healthy, safe and sustainable communities:

- Effective implementation of the Indigent Policy;
- Working with the provincial department of health to provide primary health care services;
- Extending waste removal services and ensuring effective city cleansing;
- Ensuring all waste water treatment works are operating optimally;
- Working with strategic partners such as SAPS to address crime;
- Ensuring safe working environments by effective enforcement of building and health regulations;
- Promote viable, sustainable communities through proper zoning; and
- Promote environmental sustainability by protecting wetlands and key open spaces.

3.2 Integrated Social Services for empowered and sustainable communities

- Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinated with the informal settlements upgrade programme

4. Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:

- Optimizing effective community participation in the ward committee system; and
- Implementing Batho Pele in the revenue management strategy.

5.1 Promote sound governance through:

- Publishing the outcomes of all tender processes on the municipal website

5.2 Ensure financial sustainability through:

- Reviewing the use of contracted services
- Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan

5.3 Optimal institutional transformation to ensure capacity to achieve set objectives

- Review of the organizational structure to optimize the use of personnel;

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the Municipality by identifying the key performance areas to achieve the five the strategic objectives mentioned above.

In addition to the five-year IDP, the Municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to resources in the Municipality so as to promote greater equity and enhanced opportunity. The strategy specifically targets future developmental opportunities in traditional dormitory settlements. It provides direction to the Municipality's IDP, associated

sectoral plans and strategies, and the allocation of resources of the municipality and other service delivery partners.

This development strategy introduces important policy shifts which have further been translated into seven strategic focus areas/objectives as outlined below:

- Developing dormant areas;
- Enforcing hard development lines – so as to direct private investment;
- Maintaining existing urban areas;
- Strengthening key economic clusters;
- Building social cohesion;
- Strong developmental initiatives in relation to the municipal institution as a whole; and
- Sound financial fundamentals.

Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the compilation of the fourth revised IDP, including:

- Strengthening the analysis and strategic planning processes of the Municipality;
- Initiating zonal planning processes that involve the communities in the analysis and planning processes. More emphasis was placed on area based interventions, within the overall holistic framework;
- Ensuring better coordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and
- Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.

The 2021/23 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP

ELM 2020 – 2021 DRAFT IDP

strategic objectives and operating revenue, operating expenditure and capital expenditure.

Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

Strategic Objective	Goal	Goal Code	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand												
Efficient construction, rehabilitation and maintenance of municipal infrastructure	Accelerate service delivery and infrastructure development			156 450	169 884		145 446			148 206	133 793	137 814
Support the development of SMME's to participate in a diversified and growing economy	Promote sustainable economic growth and creation of decent jobs			80	84		2 084			2 601	2 790	2 937
Strengthen integrated planning, monitoring and evaluation of municipal bylaws	Improve the effectiveness of governance, administrative and financial systems			47 844	79 394		209 191			232 490	240 459	251 883
Allocations to other priorities				2								
Total Revenue (excluding capital transfers and contributions)			1	204 374	249 362	–	356 721	–	–	383 298	377 041	392 634

ELM 2020 – 2021 DRAFT IDP

Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

Strategic Objective	Goal	Goal Code	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand												
Efficient construction, rehabilitation and maintenance of municipal infrastructure	Accelerate service delivery and infrastructure development			(41 956)	(65 130)		127 887			185 600	183 996	189 959

ELM 2020 – 2021 DRAFT IDP

Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital e

Strategic Objective	Goal	Goal Code	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand												
Efficient constructio,rehanilitation and maintenance of municipal infrastructure	Accelerate service delivery and infrastructure development	A		10 783	33 626		94 510			64 689	42 227	44 536
		B										
		C										
		D										
		E										
Support the development of SMME's to participate in a diversified and growing economy	Promote sustainable economic growth and creation of decent jobs	F		34 761	17 547		1 185			1 500	1 569	1 641
		G										
		H										
		I										
		J										
Strengthen intergrated planning, monitoring and evaluation of municipal bylaws	Improve the effectiveness of governance, administrative and financial systems	J		10 521	19 259		6 927			15 395	16 103	16 844
		K										
		L										
		M										
		N										

3.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

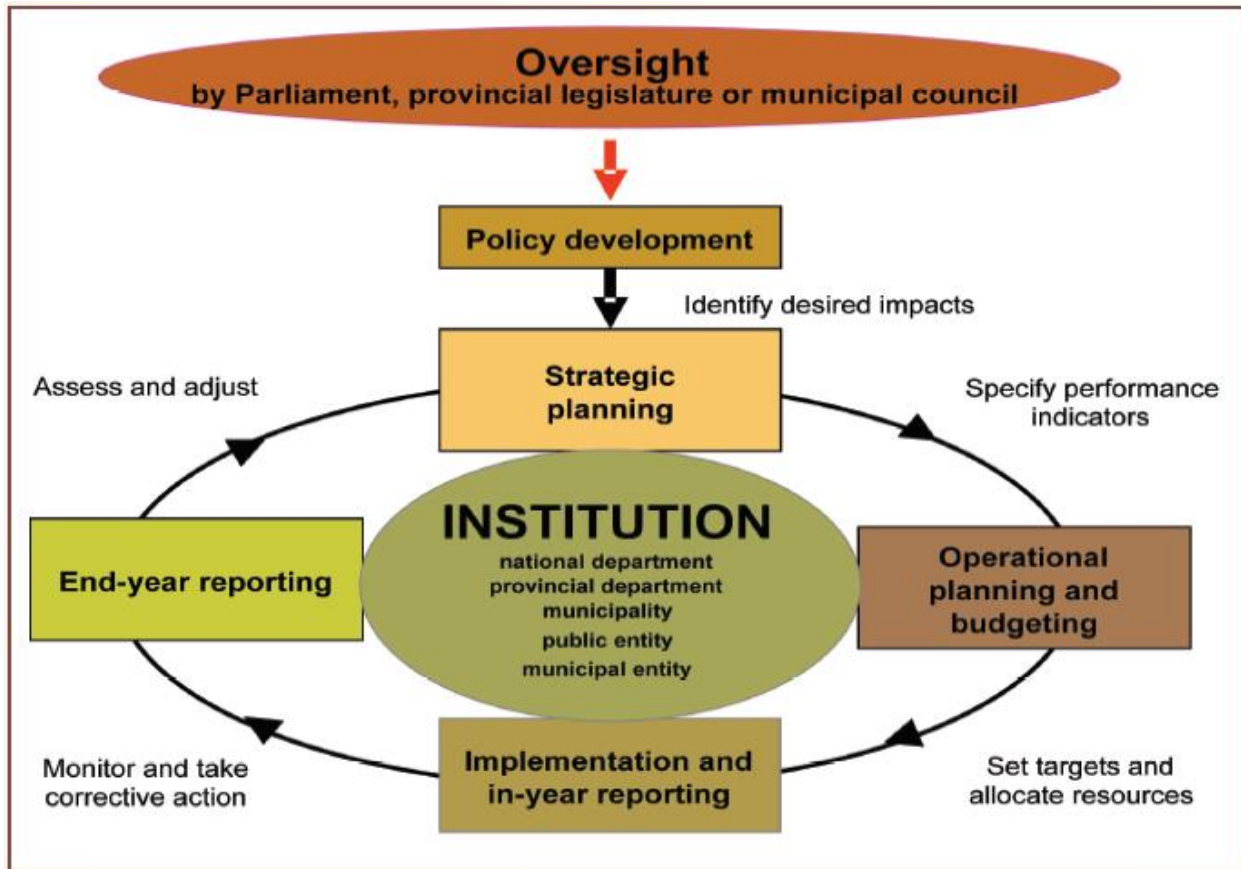


Figure 9 Planning, budgeting and reporting cycle

The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);

- **Review** (identifying areas requiring change and improvement);
- **Reporting** (what information, to whom, from whom, how often and for what purpose); and
- **Improvement** (making changes where necessary).

The performance information concepts used by the Municipality in its integrated performance management system are aligned to the *Framework of Managing Programme Performance Information* issued by the National Treasury:

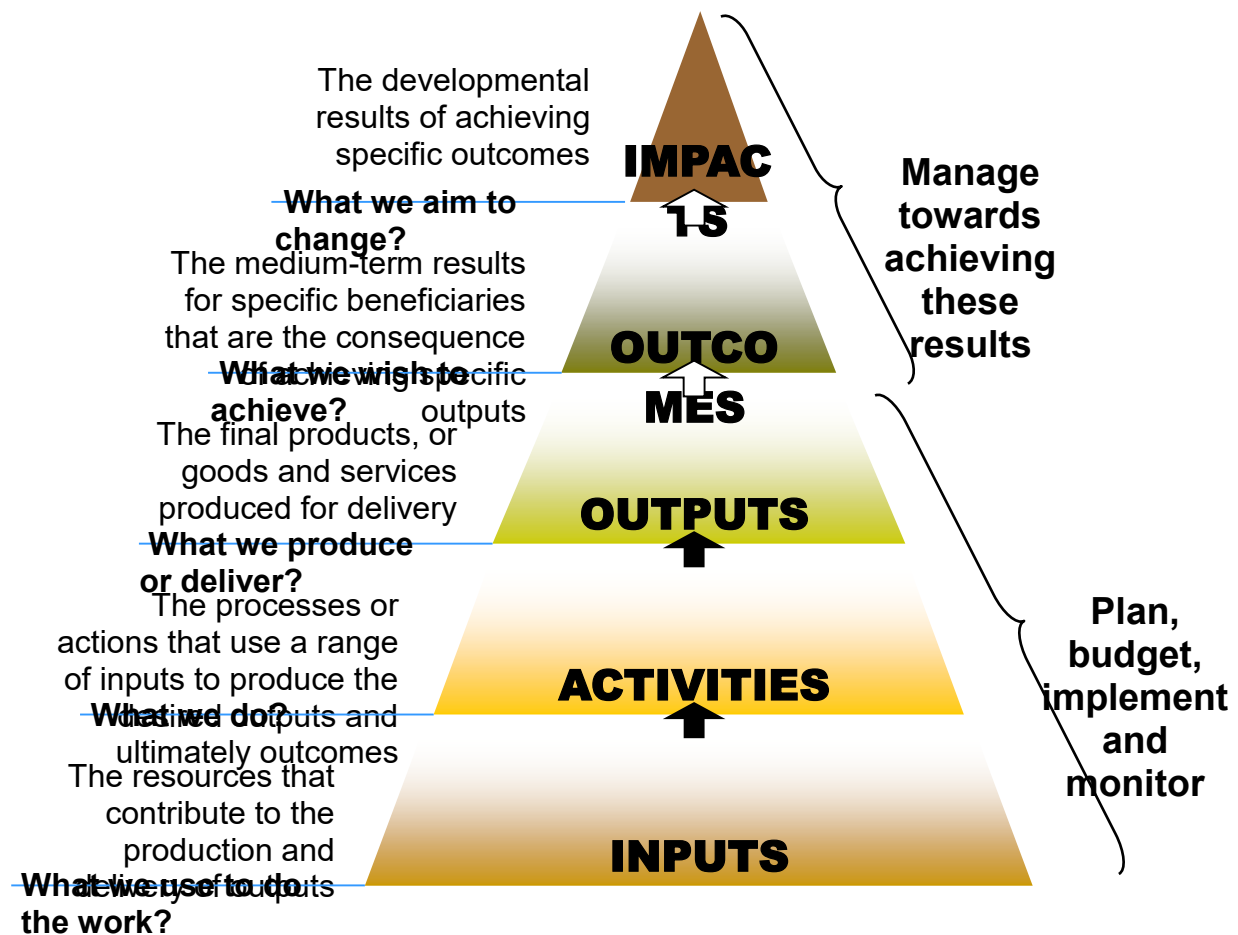


Figure 10 Definition of performance information concepts

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

Table SA7 - Measurable performance objectives

The following table sets out the municipalities the municipality's performance objectives for the MTREF.

Table SA7Performance indicators and benchmarks

3.3.1.1 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of 1.5:1 as per national treasury norm. For the MTREF the current ratio is 2:1 and remains 2:1 for the two outer years of the MTREF. Going forward it will be necessary to maintain these levels.
- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1.5:1 as per national treasury norm. 1. Anything below 1.5 indicates a shortage in cash to meet creditor obligations. This needs to be considered a pertinent risk for the Municipality as any under collection of revenue will translate into serious financial challenges for the Municipality. As part of the longer term financial planning objectives this ratio will have to be set at a minimum of 1.

3.3.1.2 Revenue Management

- As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection.
 - Debtors turnover rate is 30 days. The billing is done on monthly bases.
-

3.3.1.3 Creditors Management

- The municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure a 100 per cent compliance rate to this legislative obligation. This has had a favourable impact on suppliers' perceptions of risk of doing business with the municipality, which is expected to benefit the municipality in the form of more competitive pricing of tenders, as suppliers compete for the municipality's business.

3.3.1.4 Other Indicators

- The electricity distribution losses have been managed downwards from 23 per cent in the 2016/17 financial year, the plan is to reduce them to 10 per cent over the MTREF. The initiatives to ensure these targets are achieved include managing illegal connections and theft of electricity by rolling out smart metering systems, including prepaid meters.
- Employee costs as a percentage of operating revenue continues to decrease over the MTREF. This is primarily owing to the high increase in bulk purchases which directly increase revenue levels, as well as increased allocation relating to operating grants and transfers.
- Similar to that of employee costs, repairs and maintenance as percentage of operating revenue is also decreasing owing directly to cost drivers such as bulk purchases increasing far above inflation. In real terms, repairs and maintenance has increased as part of the City's strategy to ensure the management of its asset base.

3.3.2 Free Basic Services: basic social services package for indigent households

ELM 2020 – 2021 DRAFT IDP

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality, only registered indigents qualify for the free basic services.

For the 2019/21 financial year 10000 registered indigents have been provided for in the budget with this figured increasing to R10 000 by 2020/21. In terms of the Municipality's indigent policy registered households are entitled, 50 KWH of electricity and free waste removal, as well as a discount on their property rates.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table SA21.

3.4 Overview of budget related-policies

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

3.4.1 Review of Indigent Policy

The emphasis will be placed on speeding up the indigent registration process to ensure that credit control and debt collection efforts are not fruitlessly wasted on these debtors.

ELM 2020 – 2021 DRAFT IDP

As most of the indigents within the municipal area are unable to pay for municipal services because they are unemployed, the Integrated Indigent Exit Programme aims to link the registered indigent households to development, skills and job opportunities. The programme also seeks to ensure that all departments as well as external role players are actively involved in the reduction of the number of registered indigent households.

3.4.2 Supply Chain Management Policy

The Supply Chain Management Policy was adopted by Council in September 2017. An amended policy will be considered by Council in due course of which the amendments will be extensively consulted on.

3.4.3 Budget and Virement Policy

The Budget and Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the municipality's system of delegations. The Budget and Virement Policy was approved by Council in August 2009 and was amended on February 2019 in respect of both Operating and Capital Budget Fund Transfers.

3.4.4 Cash Management and Investment Policy

The municipality's Cash Management and Investment Policy was amended by Council in February 2019. The aim of the policy is to ensure that the municipality's surplus cash and investments are adequately managed, especially the funds

set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduces time frames to achieve certain benchmarks.

3.4.5 Petty Cash Policy

The old Petty Cash Management Policy did not cater for all municipal departments, which results into the petty cash being replenished every week. In the new policy all departments have been catered for which is believed will improve day to day transacting on the petty cash.

3.4.6 Tariff Policy

The municipality's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policies have been approved on various dates and a consolidated tariff policy is envisaged to be compiled for ease of administration and implementation of the next two years.

All the above policies are available on the Municipality's website, as well as the following budget related policies:

- Property Rates Policy;**
 - Credit control Policy;**
 - Supply chain management Policy**
 - Budget Policy**
 - Virement Policy**
 - Investment Policy**
 - Indigent Policy**
-

- **Tariff Policy**

These policies are reviewed annually.

3.5 Overview of budget assumptions

3.5.1 External factors

It must be noted that Elundini municipality is predominantly rural, therefore there are limited job opportunities within the municipal area. Be that as it may the municipality has managed to give jobs to many households through Expanded Public Works Programme. The municipality has set aside from its own reserves an amount of R2 million for the expansion of the EPWP programme in order to give more jobs to the community.

Financial resources are limited due to the non-payment of debtors, most households are indigent they cannot afford to pay municipal accounts. The municipality is forced to implement Indigent policy and write off debts for the qualifying debtors.

3.5.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2019/20 MTREF:

- **National Government macro economic targets;**
-

ELM 2020 – 2021 DRAFT IDP

- The general inflationary outlook and the impact on municipality's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity
- The increase in the cost of remuneration. Employee related costs comprise 27.7 per cent of total operating expenditure in the 2018/19 MTREF.

3.5.3 Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate of 4.6%. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a percentage (80 per cent) of annual billings. Cash flow is assumed to be 80 per cent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

3.5.4 Salary increases

The collective agreement regarding salaries/wages came into operation on 1 July 2020 and shall remain in force until 30 June 2021. The salary increase that has been applied is 6.25 percent for the 2019/2020 budget year.

3.5.5 Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- **Creating jobs;**
- **Enhancing education and skill development;**
- **Improving Health services;**
- **Rural development and agriculture; and**
- **Fighting crime and corruption.**

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

3.5.6 Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 97 per cent is achieved on operating expenditure and 100 per cent on the capital programme for the MTREF of which performance has been factored into the cash flow budget.

2.5.7 Consolidated Investment Register for each and every grant received

ELM 2020 – 2021 DRAFT IDP

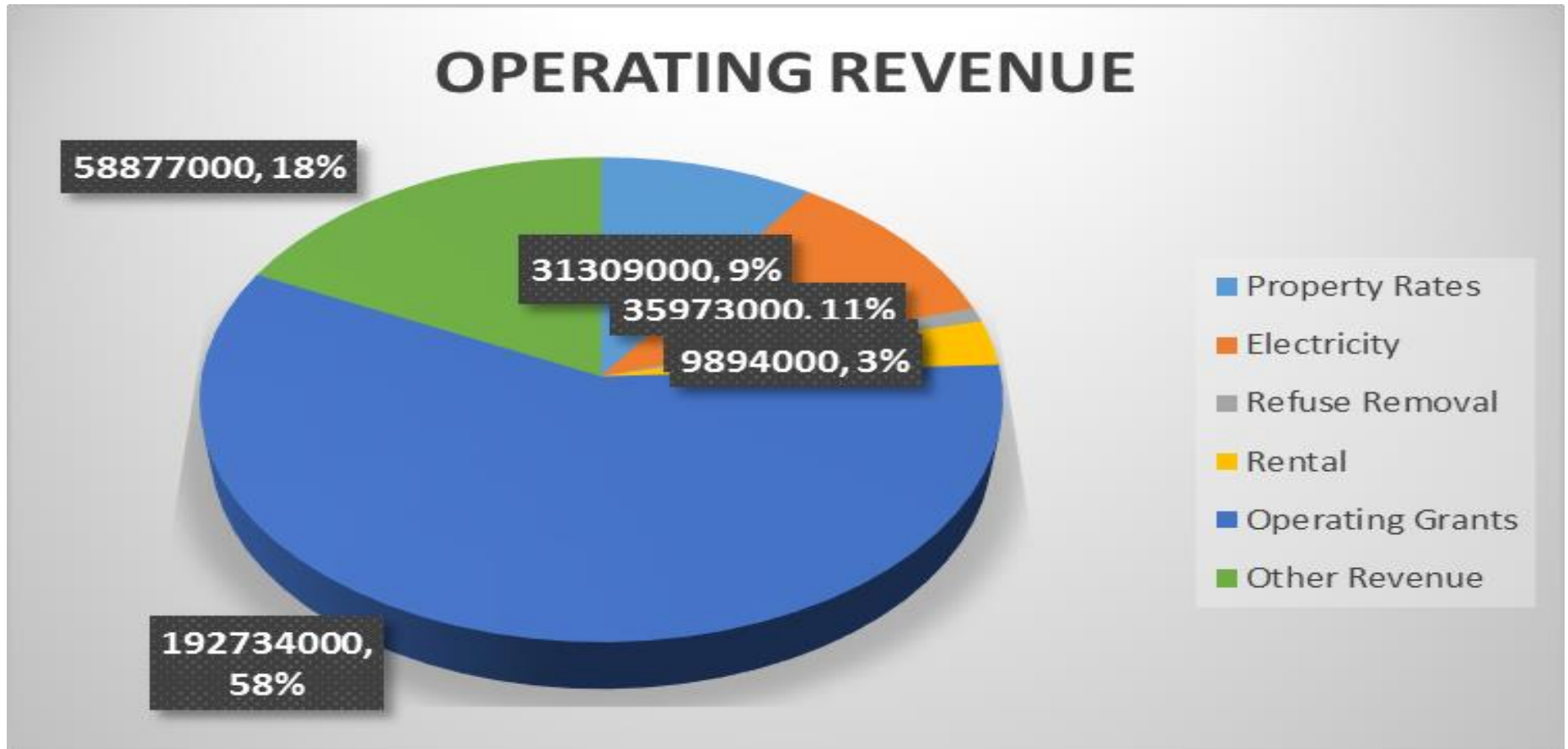
ELUNDINI INVESTMENT REPORT							
01 FEBRUARY 2019 TO 28 FEBRUARY 2020							
NAME OF INVESTMENT	PURPOSE	ACCOUNT NO	BALANCE AS AT 01/03/2019	INTEREST RECIVED	WITHDRAWALS	DEPOSIT	TOAL AS AT 31/03/2020
ELUNDINI EXPAND PUBLIC WORKS	EX PUBLIC WORKS PROGRA	388497173-001	R 2 056 963.62	R 8 115.33	R 0.00	864 000.00	R 2 929 078.95
ELUNDINI VOTER STATION	INFRASTRUCTURE GRANT	388497165-001	R 1 502.53	R 2.21	0	0	R 1 504.74
EQUITABLE SHARE FNB	SUBSIDY FOR POOR	62189194170	R 21 888 912.55	89199.01	9645170.85	0	R 12 332 940.71
FINANCE MANAGEMENT GRANT	CONDITIONAL GRANT	388493410-002	R 1 744 870.00	R 6 169.19	R 0.00	R 0	R 1 751 039.19
MAYOR'S SOCIAL INVESTMENT		62378875226	R 527 897.18	R 2 017.58	0	0	R 529 914.76
MACLEAR GREENFIELDS	CONDITIONAL GRANT	388493003-001	R 1 348.52	R 1.98	0	0	R 1 350.50
MIG	CONDITIONAL GRANT	62189180111	R 5 436 185.67	R 18 485.28	3223018.46	R 0	R 2 231 652.49
NER	ELECTRICITY UPGRADING	388490810-001	R 1 968 205.35	R 15 156.02	R 349 814.04	R 8 000 000	R 9 633 547.33
WORKING CAPITAL RESERVE	RESEVERS	62284785121	R 44 086 097.28	269891.47	0	5900000	R 50 255 988.75
JOE GQABI	WATER AND SANITAION	62557779322	R 5 509 905.30	R 25 171.96	0	0	R 5 535 077.26
ENERGY EFFICIANCY	CONDITIONAL GRANT	62785909650	R 222 962.17	R 1 018.60	0	0	R 223 980.77
TOTAL			R 83 444 850.17	R 435 228.63	R 13 218 003.35	R 14 764 000.00	R 85 426 075.45

2.5.8 Grants receipts and Expenditure

3.6 Overview of budget funding

3.6.1 Medium-term outlook: operating revenue

The following graph is a breakdown of the operational revenue per main category for the 2020/21 financial year.



Household billing Table SA14

ELM 2020 – 2021 DRAFT IDP

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ELM 2020 – 2021 DRAFT IDP

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21 % incr.	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		4 407.98	4 690.09		473.21				512.58	536.16	560.83
Electricity: Basic levy		1 459.60	1 503.36		141.08				160.42	167.80	175.52
Electricity: Consumption		18 013.73	18 431.35		1 778.20				1 753.47	1 834.13	1 918.50
Water: Basic levy										-	-
Water: Consumption										-	-
Sanitation										-	-
Refuse removal		1 269.61	1 350.86		124.94				132.44	138.53	144.90
Other										-	-
sub-total		25 150.91	25 975.65	-	2 517.43	-	-	1.6%	2 558.91	2 676.62	2 799.75
VAT on Services		3 111.44	3 192.84		306.63				306.95	321.07	335.84
Total large household bill:		28 262.35	29 168.49	-	2 824.06	-	-	1.5%	2 865.87	2 997.70	3 135.59
% increase/-decrease			3.2%	(100.0%)	-	(100.0%)	-		-	4.6%	4.6%
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		3 120.98	3 320.72		335.05				366.13	382.98	400.59
Electricity: Basic levy		1 459.60	1 503.36		141.08				160.42	167.80	175.52
Electricity: Consumption		9 070.37	9 319.85		913.76				672.19	703.11	735.45
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal		1 269.61	1 350.86		124.94				132.44	138.53	144.90
Other											
sub-total		14 920.55	15 494.79	-	1 514.83	-	-	(12.1%)	1 331.18	1 392.41	1 456.47
VAT on Services		1 769.94	1 826.11		176.97				144.75	151.41	158.38
Total small household bill:		16 690.48	17 320.90	-	1 691.79	-	-	(12.8%)	1 475.93	1 543.83	1 614.84
% increase/-decrease			3.8%	(100.0%)	-	(100.0%)	-		-	4.6%	4.6%
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates		1 833.98	1 951.35		196.88			11.6%	219.69	229.79	240.36
Electricity: Basic levy		969.28	998.40		93.69			13.7%	106.54	111.44	116.57
Electricity: Consumption		4 410.30	4 492.98		422.71			(2.9%)	410.24	429.11	448.85
Water: Basic levy										-	-
Water: Consumption										-	-
Sanitation										-	-
Refuse removal		1 269.61	1 350.86		124.94			6.0%	132.44	138.53	144.90
Other										-	-
sub-total		8 483.16	8 793.59	-	838.22	-	-	3.7%	868.90	908.87	950.68
VAT on Services		997.38	1 026.34		96.20			#NAME?	97.38	101.86	106.55
Total small household bill:		9 480.53	9 819.93	-	934.42	-	-	3.4%	966.29	1 010.73	1 057.23
% increase/-decrease			3.6%	(100.0%)	-	(100.0%)	-		-	4.6%	4.6%

ELM 2020 – 2021 DRAFT IDP

SA15 – Detail Investment Information

Investment type	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand										
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank					112 563			85 426	89 356	93 466
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	-	-	-	112 563	-	-	85 426	89 356	93 466
Entities										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		-	-	-	112 563	-	-	85 426	89 356	93 466

ELM 2020 – 2021 DRAFT IDP

Table SA16 – Investment particulars by maturity

Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Name of institution & investment ID	1	Yrs/Months												
Parent municipality														
FNB										77 672	406	(12 868)	5 900	71 110
STD										5 773	29	(350)	8 864	14 317
														-
														-
														-
Municipality sub-total										83 445		(13 218)	14 764	85 426
Entities														-
														-
														-
														-
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	1									83 445		(13 218)	14 764	85 426

For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity. The MTREF therefore provides for a budgeted deficit of R38.1 million, R39.7 million and R41.5 million in each of the financial years. This deficit has to be cleared by building capital replacement fund account in order to be able to replace assets that are fully depreciated.

3.6.2 Medium-term outlook: capital revenue

ELM 2020 – 2021 DRAFT IDP

The following table is a breakdown of the funding composition of the 2020/21 medium-term capital programme:

Table A5 Sources of capital revenue over the MTREF

Vote Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23

ELM 2020 – 2021 DRAFT IDP

Funded by:											
National Government		31 964	51 173	46 307	58 001	37 001			36 768	39 769	42 505
Provincial Government					20 305	27 905			14 520	–	–
District Municipality											
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)											
Transfers recognised - capital	4	31 964	51 173	46 307	78 306	64 906	–	–	51 288	39 769	42 505
Borrowing	6										
Internally generated funds		24 101	19 259	15 847	24 316	23 138			30 296	20 131	20 516
Total Capital Funding	7	56 065	70 432	62 154	102 622	88 043	–	–	81 584	59 900	63 021

Internally generated funds consist of a mixture between surpluses generated on the operating statement of financial performance and cash backed reserves. In determining the credibility of this funding source it becomes necessary to review the cash flow budget as well as the cash backed reserves and accumulated funds reconciliation, as discussed below. Internally generated funds consist of R30.2 million in 2020/21, R20.1 million and R20.5 million for the two outer years.

ELM 2020 – 2021 DRAFT IDP

ELM 2020 – 2021 DRAFT IDP

[illegible]

ELM 2020 – 2021 DRAFT IDP

3.6.3 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue.

3.6.4 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
 - How are those funds used?
 - What is the net funds available or funding shortfall?
-

ELM 2020 – 2021 DRAFT IDP

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality’s budget must be ‘funded’. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected).

Table A8 - Cash backed reserves/accumulated surplus reconciliation

ELM 2020 – 2021 DRAFT IDP

3.6.5 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

Table SA10 – Funding compliance measurement

ELM 2020 – 2021 DRAFT IDP

Description	MFMA section	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	41 918	59 055	565 464	114 642	74 863	–	–	–	–	–
Cash + investments at the yr end less applications - R'000	18(1)b	2	7 291	6 245	59 051	147 926	12 006	–	–	–	–	–
Cash year end/monthly employee/supplier payments	18(1)b	3	3.4	4.6	29.2	6.4	3.7	–	–	–	–	–
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	22 603	57 991	21 689	73 158	65 618	65 170	–	13 142	0	907
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	(1.9%)	25.6%	21.1%	(12.2%)	(6.0%)	(106.0%)	(1.3%)	(1.4%)	(1.4%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	68.6%	74.9%	114.3%	95.2%	86.8%	0.0%	0.0%	0.0%	0.0%	0.0%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	22.3%	3.9%	17.9%	2.5%	2.6%	2.6%	0.0%	2.9%	2.9%	2.9%
Capital payments % of capital expenditure	18(1)c;19	8	100.0%	89.4%	0.0%	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	102.6%	1.5%	174.2%	338.0%	(100.0%)	0.0%	(100.0%)	0.0%	0.0%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	0.0%	0.0%	0.0%	2.6%	2.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

References

1. Positive cash balances indicative of minimum compliance - subject to 2
2. Deduct cash and investment applications (defined) from cash balances
3. Indicative of sufficient liquidity to meet average monthly operating payments
4. Indicative of funded operational requirements
5. Indicative of adherence to macro-economic targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
6. Realistic average cash collection forecasts as % of annual billed revenue
7. Realistic average increase in debt impairment (doubtful debt) provision
8. Indicative of planned capital expenditure level & cash payment timing
9. Indicative of compliance with borrowing 'only' for the capital budget - should not exceed 100% unless refinancing
10. Substantiation of National/Province allocations included in budget
11. Indicative of realistic current arrear debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
12. Indicative of realistic long term arrear debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
13. Indicative of a credible allowance for repairs & maintenance of assets - functioning assets revenue protection
14. Indicative of a credible allowance for asset renewal (requires analysis of asset renewal projects as % of total capital projects - detailed capital plan) - functioning assets revenue protection

Supporting indicators												
% incr total service charges (incl prop rates)	18(1)a		4.1%	31.6%	27.1%	(6.2%)	0.0%	(100.0%)	4.7%	4.6%	4.6%	
% incr Property Tax	18(1)a		1.6%	32.6%	29.0%	0.0%	0.0%	(100.0%)	4.6%	4.6%	4.6%	
% incr Service charges - electricity revenue	18(1)a		28.6%	17.8%	18.0%	0.0%	0.0%	(100.0%)	4.6%	4.6%	4.6%	
% incr Service charges - water revenue	18(1)a		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
% incr Service charges - sanitation revenue	18(1)a		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
% incr Service charges - refuse revenue	18(1)a		(85.6%)	505.6%	80.0%	(59.2%)	0.0%	(100.0%)	6.0%	4.6%	4.6%	
% incr in	18(1)a		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Total billable revenue	18(1)a		41 210	42 920	56 486	71 784	67 364	67 364	–	70 506	73 749	77 141
Service charges			41 210	42 920	56 486	71 784	67 364	67 364	–	70 506	73 749	77 141
Property rates			17 218	17 501	23 203	29 932	29 932	29 932	–	31 309	32 749	34 256
Service charges - electricity revenue			19 233	24 734	29 137	34 391	34 391	34 391	–	35 973	37 628	39 359
Service charges - water revenue			–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue			–	–	–	–	–	–	–	–	–	–
Service charges - refuse removal			4 759	685	4 145	7 461	3 041	3 041	–	3 223	3 372	3 527
Service charges - other			–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment			1 575	1 463	8 235	9 459	9 459	9 459	–	9 894	10 349	10 825
Capital expenditure excluding capital grant funding			24 101	19 259	15 847	24 316	23 138	–	–	30 296	20 131	20 516
Cash receipts from ratepayers	18(1)a		33 433	43 140	82 246	110 028	110 028	–	–	–	–	–
Ratepayer & Other revenue	18(1)a		48 740	57 609	71 940	115 608	126 723	126 723	–	134 100	135 438	141 820
Change in consumer debtors (current and non-current)			17 960	15 251	465	53 277	336 711	(30 577)	(30 577)	(83 854)	–	–
Operating and Capital Grant Revenue	18(1)a		193 613	238 842	233 476	238 097	245 697	245 697	–	244 022	236 225	245 266

ELM 2020 – 2021 DRAFT IDP

ELM 2020 – 2021 DRAFT IDP

Description	MFMA section	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	41 918	59 055	565 464	114 642	74 863	–	–	–	–	–
Cash + investments at the yr end less applications - R'000	18(1)b	2	7 291	6 245	59 051	147 926	12 006	–	–	–	–	–
Cash year end/monthly employee/supplier payments	18(1)b	3	3.4	4.6	29.2	6.4	3.7	–	–	–	–	–
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	22 603	57 991	21 689	73 158	65 618	65 170	–	13 142	0	907
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	(1.9%)	25.6%	21.1%	(12.2%)	(6.0%)	(106.0%)	(1.3%)	(1.4%)	(1.4%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	68.6%	74.9%	114.3%	95.2%	86.8%	0.0%	0.0%	0.0%	0.0%	0.0%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	22.3%	3.9%	17.9%	2.5%	2.6%	2.6%	0.0%	2.9%	2.9%	2.9%
Capital payments % of capital expenditure	18(1)c;19	8	100.0%	89.4%	0.0%	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	102.6%	1.5%	174.2%	338.0%	(100.0%)	0.0%	(100.0%)	0.0%	0.0%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	0.0%	0.0%	0.0%	2.6%	2.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

References

1. Positive cash balances indicative of minimum compliance - subject to 2
2. Deduct cash and investment applications (defined) from cash balances
3. Indicative of sufficient liquidity to meet average monthly operating payments
4. Indicative of funded operational requirements
5. Indicative of adherence to macro-economic targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
6. Realistic average cash collection forecasts as % of annual billed revenue
7. Realistic average increase in debt impairment (doubtful debt) provision
8. Indicative of planned capital expenditure level & cash payment timing
9. Indicative of compliance with borrowing 'only' for the capital budget - should not exceed 100% unless refinancing
10. Substantiation of National/Province allocations included in budget
11. Indicative of realistic current arrear debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
12. Indicative of realistic long term arrear debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
13. Indicative of a credible allowance for repairs & maintenance of assets - functioning assets revenue protection
14. Indicative of a credible allowance for asset renewal (requires analysis of asset renewal projects as % of total capital projects - detailed capital plan) - functioning assets revenue protection

Supporting indicators												
% incr total service charges (incl prop rates)	18(1)a		4.1%	31.6%	27.1%	(6.2%)	0.0%	(100.0%)	4.7%	4.6%	4.6%	
% incr Property Tax	18(1)a		1.6%	32.6%	29.0%	0.0%	0.0%	(100.0%)	4.6%	4.6%	4.6%	
% incr Service charges - electricity revenue	18(1)a		28.6%	17.8%	18.0%	0.0%	0.0%	(100.0%)	4.6%	4.6%	4.6%	
% incr Service charges - water revenue	18(1)a		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
% incr Service charges - sanitation revenue	18(1)a		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
% incr Service charges - refuse revenue	18(1)a		(85.6%)	505.6%	80.0%	(59.2%)	0.0%	(100.0%)	6.0%	4.6%	4.6%	
% incr in	18(1)a		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Total billable revenue	18(1)a		41 210	42 920	56 486	71 784	67 364	67 364	–	70 506	73 749	77 141
Service charges			41 210	42 920	56 486	71 784	67 364	67 364	–	70 506	73 749	77 141
Property rates			17 218	17 501	23 203	29 932	29 932	29 932	–	31 309	32 749	34 256
Service charges - electricity revenue			19 233	24 734	29 137	34 391	34 391	34 391	–	35 973	37 628	39 359
Service charges - water revenue			–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue			–	–	–	–	–	–	–	–	–	–
Service charges - refuse removal			4 759	685	4 145	7 461	3 041	3 041	–	3 223	3 372	3 527
Service charges - other			–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment			1 575	1 463	8 235	9 459	9 459	9 459	–	9 894	10 349	10 825
Capital expenditure excluding capital grant funding			24 101	19 259	15 847	24 316	23 138	–	–	30 296	20 131	20 516
Cash receipts from ratepayers	18(1)a		33 433	43 140	82 246	110 028	110 028	–	–	–	–	–
Ratepayer & Other revenue	18(1)a		48 740	57 609	71 940	115 608	126 723	126 723	–	134 100	135 438	141 820
Change in consumer debtors (current and non-current)			17 960	15 251	465	53 277	336 711	(30 577)	(30 577)	(83 854)	–	–
Operating and Capital Grant Revenue	18(1)a		193 613	238 842	233 476	238 097	245 697	245 697	–	244 022	236 225	245 266

ELM 2020 – 2021 DRAFT IDP

ELM 2020 – 2021 DRAFT IDP

3.7 Expenditure on grants and reconciliations of unspent funds

3.8 Councilors and employee benefits

Table SA22 - Summary of councilors and staff benefits

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[illegible]

ELM 2020 – 2021 DRAFT IDP

ELM 2020 – 2021 DRAFT IDP

Table SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)

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Choose name from list - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

[illegible]

ELM 2020 – 2021 DRAFT IDP

(Note that National Treasury has deliberately left the above table blank so as not to appear to be setting benchmarks for acceptable remuneration levels for the relevant positions. Municipalities MUST, however, provide the required information as applicable to their municipalities)

Table SA24 –Summary of personnel numbers

ELM 2020 – 2021 DRAFT IDP

[illegible]

ELM 2020 – 2021 DRAFT IDP

Choose name from list - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue By Source																
Property rates		5 574	2 461	2 463	2 430	2 457	2 462	2 462	2 511	2 051	1 321	2 461	2 657	31 309	32 749	34 256
Service charges - electricity revenue		2 026	2 956	2 686	2 655	59	2 570	2 694	3 500	4 001	4 064	4 231	4 531	35 973	37 628	39 359
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		464	60	60	57	68	60	60	430	499	437	489	541	3 223	3 372	3 527
Rental of facilities and equipment		609	149	516	147	402	1 810	150	1 220	1 051	1 222	1 348	1 269	9 894	10 349	10 825
Interest earned - external investments		257	110	424	380	400	782	12	450	468	400	458	567	4 707	4 924	5 150
Interest earned - outstanding debtors		-	404	404	404	344	405	917	611	601	598	689	556	5 933	6 206	6 491
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		17	7	7	17	20	22	11	35	37	30	34	36	271	284	297
Licences and permits		302	153	239	166	118	188	149	199	200	201	189	215	2 318	2 425	2 537
Agency services		115	-	-	-	-	-	-	-	-	-	-	429	544	569	595
Transfers and subsidies		56 000	-	494	1 707	750	59 000	1 178	908	69 801	998	1 012	887	192 734	196 456	202 761
Other revenue		14	860	-	-	1 311	1 147	1 013	8 058	7 210	8 451	7 901	8 670	44 634	41 857	43 933
Gains		-	-	-	-	-	-	-	-	-	-	468	0	468	490	513
Total Revenue (excluding capital transfers and contributions)		65 379	7 159	7 293	7 962	5 929	68 444	8 644	17 922	85 919	17 722	19 280	20 358	332 010	337 308	350 243
Expenditure By Type																
Employee related costs		40	-	(44)	7 785	-	43 660	10 417	9 801	10 641	8 841	12 514	10 292	113 948	119 189	124 672
Remuneration of councillors		93	-	2 028	-	-	5 077	1 108	1 008	998	1 010	1 021	1 508	13 851	14 488	15 154
Debt impairment		-	-	-	-	-	(863)	-	-	-	-	-	2 924	2 061	2 156	2 255
Depreciation & asset impairment		-	-	-	-	-	2 988	-	-	-	-	-	33 096	36 085	37 745	39 481
Finance charges		-	31	33	35	36	-	-	-	-	-	-	73	209	218	228
Bulk purchases		5 648	-	2 538	1 587	1 542	1 457	1 406	3 201	3 325	3 598	3 854	4 015	32 171	33 651	35 199
Other materials		34	4	3	55	4	5	68	301	315	288	308	374	1 759	1 840	1 925
Contracted services		2 733	2 968	3 871	4 185	2 639	5 429	2 791	15 385	14 998	15 001	14 998	16 544	101 542	96 106	97 946
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure		5 690	2 752	3 443	5 273	3 201	6 205	4 767	7 804	7 440	7 241	7 542	7 173	68 531	71 684	74 981
Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		14 238	5 754	11 872	18 921	7 422	63 958	20 557	37 500	37 717	35 979	40 237	76 001	370 156	377 077	391 841
Surplus/(Deficit)																
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		5 408	6 293	1 314	17 437	166	-	20 803	(133)	-	-	-	(0)	51 288	39 769	42 505
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		63 546	-	-	-	-	-	-	(63 546)	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		11	-	-	-	-	-	-	(11)	-	-	-	(0)	-	-	-
Surplus/(Deficit) after capital transfers & contributions		120 106	7 698	(3 266)	6 478	(1 327)	4 486	8 890	(83 268)	48 202	(18 257)	(20 957)	(55 644)	13 142	0	907
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	120 106	7 698	(3 266)	6 478	(1 327)	4 486	8 890	(83 268)	48 202	(18 257)	(20 957)	(55 644)	13 142	0	907

ELM 2020 – 2021 DRAFT IDP

Choose name from list - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand																
Revenue by Vote																
Vote 1 - Executive & Council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Budget and Treasury		69 409	3 850	3 213	3 142	3 147	52 717	3 413	18 270	17 668	18 451	19 251	19 960	232 490	240 459	251 883
Vote 3 - Corporate dmin		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 4 - Community Services		1 337	1 211	1 705	2 359	2 298	1 355	2 388	514	415	500	499	643	15 224	12 402	12 938
Vote 5 - Strategic Planning Development		–	–	17	6	20	–	4	510	410	398	541	695	2 601	2 790	2 937
Vote 6 - Infrastructure Planning & Development		8 015	9 392	3 671	21 259	3 256	4 375	23 642	10 800	11 874	10 644	11 901	14 153	132 983	121 391	124 876
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue by Vote		78 760	14 452	8 606	26 766	8 722	58 447	29 447	30 094	30 367	29 993	32 192	35 450	383 298	377 041	392 634
Expenditure by Vote to be appropriated																
Vote 1 - Executive & Council		–	471	5 173	591	398	14 457	423	6 993	5 887	6 888	8 470	6 731	56 481	59 079	61 797
Vote 2 - Budget and Treasury		–	3 168	2 759	2 637	2 686	14 399	3 208	7 590	7 401	6 889	8 951	7 123	66 811	69 884	72 941
Vote 3 - Corporate dmin		–	528	2 947	2 718	869	4 917	1 088	5 724	5 241	4 999	5 421	7 238	41 691	43 609	45 615
Vote 4 - Community Services		–	219	(4 717)	8 645	929	15 182	1 125	5 001	5 821	6 001	7 861	4 135	50 201	52 476	54 856
Vote 5 - Strategic Planning Development		–	162	968	389	119	4 086	192	2 731	2 254	3 005	2 854	2 813	19 573	20 474	21 415
Vote 6 - Infrastructure Planning & Development		–	1 199	4 742	3 941	2 421	10 918	2 995	21 836	22 400	19 857	21 899	23 191	135 398	131 520	135 103
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure by Vote		–	5 747	11 872	18 921	7 422	63 958	9 032	49 875	49 004	47 639	55 456	51 231	370 156	377 042	391 727
Surplus/(Deficit) before assoc.		78 760	8 706	(3 266)	7 845	1 301	(5 511)	20 415	(19 781)	(18 637)	(17 646)	(23 264)	(15 781)	13 142	(0)	907
Taxation													–	–	–	–
Attributable to minorities													–	–	–	–
Share of surplus/ (deficit) of associate													–	–	–	–
Surplus/(Deficit)	1	78 760	8 706	(3 266)	7 845	1 301	(5 511)	20 415	(19 781)	(18 637)	(17 646)	(23 264)	(15 781)	13 142	(0)	907

ELM 2020 – 2021 DRAFT IDP

Choose name from list - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand																
Revenue - Functional																
Governance and administration		69 409	3 850	3 213	3 142	3 147	52 717	3 413	18 720	18 800	17 986	19 251	18 843	232 490	240 459	251 883
Executive and council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Finance and administration		69 409	3 850	3 213	3 142	3 147	52 717	3 413	18 720	18 800	17 986	19 251	18 843	232 490	240 459	251 883
Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Community and public safety		902	747	1 241	1 898	1 839	891	1 924	(3 619)	463	440	485	550	7 760	8 083	8 420
Community and social services		31	9	4	688	758	6	1 049	400	463	440	485	528	4 861	5 050	5 248
Sport and recreation		–	–	–	–	–	–	–	–	–	–	–	22	22	23	24
Public safety		871	739	1 237	1 209	1 081	885	875	(4 019)	–	–	–	(0)	2 877	3 009	3 148
Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		5 988	6 293	881	11 668	438	1 661	16 539	5 312	4 651	4 589	5 004	7 010	70 034	59 447	62 568
Planning and development		–	–	17	6	20	–	4	510	499	589	489	467	2 601	2 790	2 937
Road transport		5 988	6 293	864	11 662	418	1 661	16 535	4 802	4 152	4 000	4 515	6 543	67 433	56 657	59 630
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		2 490	3 562	3 271	10 059	3 298	3 179	7 572	8 172	7 529	7 774	8 850	7 257	73 013	69 053	69 764
Energy sources		2 026	3 098	2 807	9 598	2 838	2 714	7 107	7 272	6 685	6 975	7 865	6 563	65 549	64 734	65 245
Water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste management		464	464	464	461	459	464	465	900	844	799	985	694	7 463	4 320	4 518
Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue - Functional		78 789	14 452	8 606	26 766	8 722	58 447	29 447	28 585	31 443	30 789	33 590	33 660	383 298	377 041	392 634
Expenditure - Functional																
Governance and administration		7 151	4 167	10 880	5 945	3 953	33 773	4 719	18 879	18 651	19 345	17 451	20 069	164 983	172 572	180 353
Executive and council		562	471	5 173	591	398	14 457	423	6 881	7 851	6 489	5 864	7 322	56 481	59 079	61 797
Finance and administration		6 589	3 696	5 706	5 354	3 555	19 316	4 297	11 998	10 800	12 856	11 587	12 747	108 502	113 493	118 556
Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Community and public safety		30	145	2 142	277	139	9 860	146	2 732	2 580	2 584	2 751	3 018	26 404	27 584	28 819
Community and social services		10	36	943	34	23	2 490	10	705	700	699	589	835	7 073	7 364	7 668
Sport and recreation		20	62	654	168	9	3 263	47	952	892	875	987	1 054	8 983	9 396	9 829
Public safety		–	47	545	76	106	4 108	89	1 075	988	1 010	1 175	1 129	10 348	10 824	11 322
Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		481	579	2 224	1 416	365	9 114	1 041	11 327	10 245	10 588	13 412	11 086	71 879	75 185	78 644
Planning and development		255	162	968	389	119	4 086	192	2 680	2 351	2 041	3 561	2 769	19 573	20 474	21 415
Road transport		226	417	1 257	1 027	246	5 028	848	8 647	7 894	8 547	9 851	8 317	52 306	54 712	57 228
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		801	863	(3 374)	11 282	2 965	11 211	3 125	16 001	14 901	12 541	13 584	22 989	106 890	101 700	103 912
Energy sources		692	779	3 485	2 914	2 175	5 889	2 147	13 000	12 010	9 980	10 210	19 811	83 093	76 808	77 875
Water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste management		109	84	(6 859)	8 368	790	5 321	979	3 001	2 891	2 561	3 374	3 178	23 797	24 892	26 037
Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure - Functional		8 463	5 754	11 872	18 921	7 422	63 958	9 032	48 939	46 377	45 058	47 198	57 162	370 156	377 042	391 728
Surplus/(Deficit) before assoc.		70 326	8 698	(3 266)	7 845	1 301	(5 511)	20 415	(20 354)	(14 934)	(14 269)	(13 608)	(23 502)	13 142	(0)	907
Share of surplus/ (deficit) of associate		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	70 326	8 698	(3 266)	7 845	1 301	(5 511)	20 415	(20 354)	(14 934)	(14 269)	(13 608)	(23 502)	13 142	(0)	907

ELM 2020 – 2021 DRAFT IDP

Choose name from list - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand																
Multi-year expenditure to be appropriated	1												-	-	-	-
Vote 1 - Executive & Council													-	-	-	-
Vote 2 - Budget and Treasury													-	-	-	-
Vote 3 - Corporate dmin													-	-	-	-
Vote 4 - Community Services													-	-	-	-
Vote 5 - Strategic Planning Development													-	-	-	-
Vote 6 - Infrastructure Planning & Development													-	-	-	-
Vote 7 - [NAME OF VOTE 7]													-	-	-	-
Vote 8 - [NAME OF VOTE 8]													-	-	-	-
Vote 9 - [NAME OF VOTE 9]													-	-	-	-
Vote 10 - [NAME OF VOTE 10]													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Capital multi-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated																
Vote 1 - Executive & Council		-		-	131	52	(57)	13	1 360	-	-	-	0	1 500	1 569	1 641
Vote 2 - Budget and Treasury		1 027		308	111	(1)	22	45	1 000	1 254	1 246	1 401	1 332	7 745	8 101	8 474
Vote 3 - Corporate dmin		4 520		-	-	-	-	-	326	350	300	389	265	6 150	6 433	6 729
Vote 4 - Community Services		-	106	82	13	64	-	-	615	555	689	555	661	3 340	3 494	3 654
Vote 5 - Strategic Planning Development		-	-	12	-	-	461	-	205	199	200	238	185	1 500	1 569	1 641
Vote 6 - Infrastructure Planning & Development		-	12 308	5 360	11 407	8 167	1 563	2 810	4 000	3 946	2 894	3 894	4 999	61 349	38 734	40 881
Vote 7 - [NAME OF VOTE 7]													-	-	-	-
Vote 8 - [NAME OF VOTE 8]													-	-	-	-
Vote 9 - [NAME OF VOTE 9]													-	-	-	-
Vote 10 - [NAME OF VOTE 10]													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Capital single-year expenditure sub-total	2	5 548	12 414	5 762	11 662	8 282	1 989	2 868	7 506	6 304	5 329	6 477	7 442	81 584	59 900	63 021
Total Capital Expenditure	2	5 548	12 414	5 762	11 662	8 282	1 989	2 868	7 506	6 304	5 329	6 477	7 442	81 584	59 900	63 021

ELM 2020 – 2021 DRAFT IDP

ELM 2020 – 2021 DRAFT IDP

Choose name from list - Supporting Table SA34a Capital expenditure on new assets by asset class

[illegible]

ELM 2020 – 2021 DRAFT IDP

ELM 2020 – 2021 DRAFT IDP

Vote Description	Ref	2020/21 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Present value
R thousand								
<u>Capital expenditure</u>	1							
Vote 1 - Executive & Council		1 500	1 569	1 641	1 717	1 796	1 878	1 965
Vote 2 - Budget and Treasury		7 745	8 101	8 474	8 864	9 272	9 698	10 144
Vote 3 - Corporate dmin		6 150	6 433	6 729	7 038	7 362	7 701	8 055
Vote 4 - Community Services		3 340	3 494	3 654	3 822	3 998	4 182	4 375
Vote 5 - Strategic Planning Development		1 500	1 569	1 641	1 717	1 796	1 878	1 965
Vote 6 - Infrastructure Planning & Development		61 349	38 734	40 881	42 762	44 729	46 786	48 939
Vote 7 - [NAME OF VOTE 7]		-	-	-				
Vote 8 - [NAME OF VOTE 8]		-	-	-				
Vote 9 - [NAME OF VOTE 9]		-	-	-				
Vote 10 - [NAME OF VOTE 10]		-	-	-				
Vote 11 - [NAME OF VOTE 11]		-	-	-				
Vote 12 - [NAME OF VOTE 12]		-	-	-				
Vote 13 - [NAME OF VOTE 13]		-	-	-				
Vote 14 - [NAME OF VOTE 14]		-	-	-				
Vote 15 - [NAME OF VOTE 15]		-	-	-				
<i>List entity summary if applicable</i>								
Total Capital Expenditure		81 584	59 900	63 021	65 920	68 952	72 124	75 442
<u>Future operational costs by vote</u>	2							
Vote 1 - Executive & Council								
Vote 2 - Budget and Treasury								
Vote 3 - Corporate dmin								
Vote 4 - Community Services								
Vote 5 - Strategic Planning Development								
Vote 6 - Infrastructure Planning & Development								
Vote 7 - [NAME OF VOTE 7]								
Vote 8 - [NAME OF VOTE 8]								
Vote 9 - [NAME OF VOTE 9]								
Vote 10 - [NAME OF VOTE 10]								
Vote 11 - [NAME OF VOTE 11]								
Vote 12 - [NAME OF VOTE 12]								
Vote 13 - [NAME OF VOTE 13]								
Vote 14 - [NAME OF VOTE 14]								
Vote 15 - [NAME OF VOTE 15]								
<i>List entity summary if applicable</i>								
Total future operational costs		-	-	-	-	-	-	-
<u>Future revenue by source</u>	3							
Property rates								
Service charges - electricity revenue								
Service charges - water revenue								
Service charges - sanitation revenue								
Service charges - refuse revenue								
Rental of facilities and equipment								
<i>List other revenues sources if applicable</i>								

ELM 2020 – 2021 DRAFT IDP

Choose name from list - Supporting Table SA34d Depreciation by asset class

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Depreciation by Asset Class/Sub-class										
Infrastructure		–	–	–	23 137	23 137	–	24 202	25 315	26 488
Roads Infrastructure		–	–	–	21 167	21 167	–	22 141	23 159	24 228
Roads		–	–	–	21 167	21 167	–	22 141	23 159	24 228
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		–	–	–	1970	1970	–	2 061	2 156	2 250
Power Plants										
HV Substations					1970	1970	–	2 061	2 156	2 250
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares										
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Dams and Weirs										
Boreholes										
Reservoirs										
Pump Stations										
Water Treatment Works										
Bulk Mains										
Distribution										
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Pump Station										
Reticulation										
Waste Water Treatment Works										
Outfall Sewers										
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Landfill Sites										
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Rail Lines										
Rail Structures										
Rail Furniture										
Drainage Collection										
Storm water Conveyance										
Attenuation										
MV Substations										
LV Networks										
Capital Spares										
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Sand Pumps										
Piers										
Revetments										
Promenades										
Capital Spares										
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Data Centres										
Core Layers										
Distribution Layers										
Capital Spares										
Community Assets										
Community Facilities		–	–	–	–	–	–	–	–	–
Halls		–	–	–	–	–	–	–	–	–
Centres										
Crièches										
Clinics/Care Centres										
Fire/Ambulance Stations										
Testing Stations										
Museums										

ELM 2020 – 2021 DRAFT IDP

Choose name from list - Supporting Table SA34e Capital expenditure on the upgrading of existing assets by asset class

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22
R thousand										
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		-	-	-	7 981	-	-	8 348	8 732	9 134
Roads Infrastructure		-	-	-	7 981	-	-	8 348	8 732	9 134
Roads					7 981	-	-	8 348	8 732	9 134
Road Structures										
Road Furniture										
Capital Spares										
Stormwater Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares										
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Dams and Weirs										
Boreholes										
Reservoirs										
Pump Stations										
Water Treatment Works										
Bulk Mains										
Distribution										
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Pump Station										
Reticulation										
Waste Water Treatment Works										
Outfall Sewers										
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Landfill Sites										
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines										
Rail Structures										
Rail Furniture										
Drainage Collection										
Storm water Conveyance										
Attenuation										
MV Substations										
LV Networks										
Capital Spares										
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps										
Piers										
Revetments										
Promenades										
Capital Spares										
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres										
Core Layers										
Distribution Layers										
Capital Spares										
Community Assets										
Community Facilities		-	-	-	-	-	-	-	-	-
Halls										
Centres										
Crèches										
Clinics/Care Centres										
Fire/Ambulance Stations										
Testing Stations										
Museums										
Galleries										

ELM 2020 – 2021 DRAFT IDP

ELM 2020 – 2021 DRAFT IDP

3.9 Annual budgets and SDBIPs – internal departments

3.10 Contracts having future budgetary implications

In terms of the Municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

3.11 Capital expenditure details

The following three tables present details of the Municipality's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

ELM 2020 – 2021 DRAFT IDP

Choose name from list - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand																
Revenue - Functional																
Governance and administration		69 409	3 850	3 213	3 142	3 147	52 717	3 413	18 720	18 800	17 986	19 251	18 843	232 490	240 459	251 883
Executive and council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Finance and administration		69 409	3 850	3 213	3 142	3 147	52 717	3 413	18 720	18 800	17 986	19 251	18 843	232 490	240 459	251 883
Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Community and public safety		902	747	1 241	1 898	1 839	891	1 924	(3 619)	463	440	485	550	7 760	8 083	8 420
Community and social services		31	9	4	688	758	6	1 049	400	463	440	485	528	4 861	5 050	5 248
Sport and recreation		–	–	–	–	–	–	–	–	–	–	–	22	22	23	24
Public safety		871	739	1 237	1 209	1 081	885	875	(4 019)	–	–	–	(0)	2 877	3 009	3 148
Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		5 988	6 293	881	11 668	438	1 661	16 539	5 312	4 651	4 589	5 004	7 010	70 034	59 447	62 568
Planning and development		–	–	17	6	20	–	4	510	499	589	489	467	2 601	2 790	2 937
Road transport		5 988	6 293	864	11 662	418	1 661	16 535	4 802	4 152	4 000	4 515	6 543	67 433	56 657	59 630
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		2 490	3 562	3 271	10 059	3 298	3 179	7 572	8 172	7 529	7 774	8 850	7 257	73 013	69 053	69 764
Energy sources		2 026	3 098	2 807	9 598	2 838	2 714	7 107	7 272	6 685	6 975	7 865	6 563	65 549	64 734	65 245
Water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste management		464	464	464	461	459	464	465	900	844	799	985	694	7 463	4 320	4 518
Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue - Functional		78 789	14 452	8 606	26 766	8 722	58 447	29 447	28 585	31 443	30 789	33 590	33 660	383 298	377 041	392 634
Expenditure - Functional																
Governance and administration		7 151	4 167	10 880	5 945	3 953	33 773	4 719	18 879	18 651	19 345	17 451	20 069	164 983	172 572	180 353
Executive and council		562	471	5 173	591	398	14 457	423	6 881	7 851	6 489	5 864	7 322	56 481	59 079	61 797
Finance and administration		6 589	3 696	5 706	5 354	3 555	19 316	4 297	11 998	10 800	12 856	11 587	12 747	108 502	113 493	118 556
Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Community and public safety		30	145	2 142	277	139	9 860	146	2 732	2 580	2 584	2 751	3 018	26 404	27 584	28 819
Community and social services		10	36	943	34	23	2 490	10	705	700	699	589	835	7 073	7 364	7 668
Sport and recreation		20	62	654	168	9	3 263	47	952	892	875	987	1 054	8 983	9 396	9 829
Public safety		–	47	545	76	106	4 108	89	1 075	988	1 010	1 175	1 129	10 348	10 824	11 322
Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		481	579	2 224	1 416	365	9 114	1 041	11 327	10 245	10 588	13 412	11 086	71 879	75 185	78 644
Planning and development		255	162	968	389	119	4 086	192	2 680	2 351	2 041	3 561	2 769	19 573	20 474	21 415
Road transport		226	417	1 257	1 027	246	5 028	848	8 647	7 894	8 547	9 851	8 317	52 306	54 712	57 228
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		801	863	(3 374)	11 282	2 965	11 211	3 125	16 001	14 901	12 541	13 584	22 989	106 890	101 700	103 912
Energy sources		692	779	3 485	2 914	2 175	5 889	2 147	13 000	12 010	9 980	10 210	19 811	83 093	76 808	77 875
Water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste management		109	84	(6 859)	8 368	790	5 321	979	3 001	2 891	2 561	3 374	3 178	23 797	24 892	26 037
Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure - Functional		8 463	5 754	11 872	18 921	7 422	63 958	9 032	48 939	46 377	45 058	47 198	57 162	370 156	377 042	391 728
Surplus/(Deficit) before assoc.		70 326	8 698	(3 266)	7 845	1 301	(5 511)	20 415	(20 354)	(14 934)	(14 269)	(13 608)	(23 502)	13 142	(0)	907
Share of surplus/ (deficit) of associate		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	70 326	8 698	(3 266)	7 845	1 301	(5 511)	20 415	(20 354)	(14 934)	(14 269)	(13 608)	(23 502)	13 142	(0)	907

ELM 2020 – 2021 DRAFT IDP

Choose name from list - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand																
Multi-year expenditure to be appropriated	1															
Vote 1 - Executive & Council													-	-	-	-
Vote 2 - Budget and Treasury													-	-	-	-
Vote 3 - Corporate dmin													-	-	-	-
Vote 4 - Community Services													-	-	-	-
Vote 5 - Strategic Planning Development													-	-	-	-
Vote 6 - Infrastructure Planning & Development													-	-	-	-
Vote 7 - [NAME OF VOTE 7]													-	-	-	-
Vote 8 - [NAME OF VOTE 8]													-	-	-	-
Vote 9 - [NAME OF VOTE 9]													-	-	-	-
Vote 10 - [NAME OF VOTE 10]													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Capital multi-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated																
Vote 1 - Executive & Council		-		-	131	52	(57)	13	1 360	-	-	-	0	1 500	1 569	1 641
Vote 2 - Budget and Treasury		1 027		308	111	(1)	22	45	1 000	1 254	1 246	1 401	1 332	7 745	8 101	8 474
Vote 3 - Corporate dmin		4 520		-	-	-	-	-	326	350	300	389	265	6 150	6 433	6 729
Vote 4 - Community Services		-	106	82	13	64	-	-	615	555	689	555	661	3 340	3 494	3 654
Vote 5 - Strategic Planning Development		-	-	12	-	-	461	-	205	199	200	238	185	1 500	1 569	1 641
Vote 6 - Infrastructure Planning & Development		-	12 308	5 360	11 407	8 167	1 563	2 810	4 000	3 946	2 894	3 894	4 999	61 349	38 734	40 881
Vote 7 - [NAME OF VOTE 7]													-	-	-	-
Vote 8 - [NAME OF VOTE 8]													-	-	-	-
Vote 9 - [NAME OF VOTE 9]													-	-	-	-
Vote 10 - [NAME OF VOTE 10]													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Capital single-year expenditure sub-total	2	5 548	12 414	5 762	11 662	8 282	1 989	2 868	7 506	6 304	5 329	6 477	7 442	81 584	59 900	63 021
Total Capital Expenditure	2	5 548	12 414	5 762	11 662	8 282	1 989	2 868	7 506	6 304	5 329	6 477	7 442	81 584	59 900	63 021

ELM 2020 – 2021 DRAFT IDP

ELM 2020 – 2021 DRAFT IDP

Vote Description	Ref	2020/21 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Present value
R thousand								
<u>Capital expenditure</u>	1							
Vote 1 - Executive & Council		1 500	1 569	1 641	1 717	1 796	1 878	1 965
Vote 2 - Budget and Treasury		7 745	8 101	8 474	8 864	9 272	9 698	10 144
Vote 3 - Corporate dmin		6 150	6 433	6 729	7 038	7 362	7 701	8 055
Vote 4 - Community Services		3 340	3 494	3 654	3 822	3 998	4 182	4 375
Vote 5 - Strategic Planning Development		1 500	1 569	1 641	1 717	1 796	1 878	1 965
Vote 6 - Infrastructure Planning & Development		61 349	38 734	40 881	42 762	44 729	46 786	48 939
Vote 7 - [NAME OF VOTE 7]		-	-	-				
Vote 8 - [NAME OF VOTE 8]		-	-	-				
Vote 9 - [NAME OF VOTE 9]		-	-	-				
Vote 10 - [NAME OF VOTE 10]		-	-	-				
Vote 11 - [NAME OF VOTE 11]		-	-	-				
Vote 12 - [NAME OF VOTE 12]		-	-	-				
Vote 13 - [NAME OF VOTE 13]		-	-	-				
Vote 14 - [NAME OF VOTE 14]		-	-	-				
Vote 15 - [NAME OF VOTE 15]		-	-	-				
<i>List entity summary if applicable</i>								
Total Capital Expenditure		81 584	59 900	63 021	65 920	68 952	72 124	75 442
<u>Future operational costs by vote</u>	2							
Vote 1 - Executive & Council								
Vote 2 - Budget and Treasury								
Vote 3 - Corporate dmin								
Vote 4 - Community Services								
Vote 5 - Strategic Planning Development								
Vote 6 - Infrastructure Planning & Development								
Vote 7 - [NAME OF VOTE 7]								
Vote 8 - [NAME OF VOTE 8]								
Vote 9 - [NAME OF VOTE 9]								
Vote 10 - [NAME OF VOTE 10]								
Vote 11 - [NAME OF VOTE 11]								
Vote 12 - [NAME OF VOTE 12]								
Vote 13 - [NAME OF VOTE 13]								
Vote 14 - [NAME OF VOTE 14]								
Vote 15 - [NAME OF VOTE 15]								
<i>List entity summary if applicable</i>								
Total future operational costs		-	-	-	-	-	-	-
<u>Future revenue by source</u>	3							
Property rates								
Service charges - electricity revenue								
Service charges - water revenue								
Service charges - sanitation revenue								
Service charges - refuse revenue								
Rental of facilities and equipment								
<i>List other revenues sources if applicable</i>								

ELM 2020 – 2021 DRAFT IDP

ELM 2020 – 2021 DRAFT IDP

Choose name from list - Supporting Table SA34d Depreciation by asset class

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Depreciation by Asset Class/Sub-class										
Infrastructure		–	–	–	23 137	23 137	–	24 202	25 315	26 488
Roads Infrastructure		–	–	–	21 167	21 167	–	22 141	23 159	24 228
Roads		–	–	–	21 167	21 167	–	22 141	23 159	24 228
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		–	–	–	1970	1970	–	2 061	2 156	2 250
Power Plants										
HV Substations					1970	1970	–	2 061	2 156	2 250
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares										
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Dams and Weirs										
Boreholes										
Reservoirs										
Pump Stations										
Water Treatment Works										
Bulk Mains										
Distribution										
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Pump Station										
Reticulation										
Waste Water Treatment Works										
Outfall Sewers										
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Landfill Sites										
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Rail Lines										
Rail Structures										
Rail Furniture										
Drainage Collection										
Storm water Conveyance										
Attenuation										
MV Substations										
LV Networks										
Capital Spares										
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Sand Pumps										
Piers										
Revetments										
Promenades										
Capital Spares										
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Data Centres										
Core Layers										
Distribution Layers										
Capital Spares										
Community Assets		–	–	–	–	–	–	–	–	–
Community Facilities		–	–	–	–	–	–	–	–	–
Halls										
Centres										
Crièches										
Clinics/Care Centres										
Fire/Ambulance Stations										
Testing Stations										
Museums										

ELM 2020 – 2021 DRAFT IDP

Choose name from list - Supporting Table SA34e Capital expenditure on the upgrading of existing assets by asset class

[illegible]

ELM 2020 – 2021 DRAFT IDP

ELM 2020 – 2021 DRAFT IDP

<u>DRAFT BUDGET 2020/2021</u>			
<u>CAPITAL PROJECTS</u>			
SegmentDesc	2021 Draft	2022 Draft	2023 Draft
MIG Projects	36 767 850.00	39 768 900.00	41 963 300.00
CONTAINER CITY	1 400 000.00	1 464 400.00	1 531 762.40
NETWORK UPGRADE-1101/4601/0000	1 191 209.90	1 246 005.56	1 303 321.82
INSTALL OF HIGH MASTS	1 937 230.00	2 026 342.58	2 119 554.34
STREET LIGHTS	1 082 500.00	1 132 295.00	1 184 380.57
Furniture & Office equipment	50 000.00	52 300.00	54 705.80
Furniture & Office equipment	100 000.00	104 600.00	109 411.60
Furniture & Office equipment	100 000.00	104 600.00	109 411.60
Municipal Lights	350 000.00	366 100.00	382 940.60
FURNITURE & OFFICE EQUIPMENT	245 094.54	256 368.88	268 161.85
Vehicles	2 500 000.00	2 615 000.00	2 735 290.00
FURNITURE & OFFICE EQUIPMENT-0401/4601/0000	100 000.00		
FURNITURE & OFFICE EQUIPMENT-0001/4601/0000 led screen	1 500 000.00	1 569 000.00	1 641 174.00
Disaster Recovery site and Wifi	4 500 000.00	4 707 000.00	4 923 522.00
GRASS CUTTERS	150 000.00		
Municipal buildings	5 000 000.00	-	-
TROLLEY BINS-0420/4624/0000	80 000.00	83 680.00	87 529.28
Access Control-0301/4601/0000	1 200 000.00	1 255 200.00	1 312 939.20
PITSENG BRIDGE	5 800 000.00		
Premiours Office	14 520 000.00	-	-
Furniture & Office equipment	10 000.00	10 460.00	10 941.16
MOTOR VEHICLES-0420/4603/0000	3 000 000.00	3 138 000.00	3 282 348.00
Total	81 583 884.44	59 900 252.02	63 020 694.22

ELM 2020 – 2021 DRAFT IDP

3.12 Annual budgets and SDBIPs – internal departments

3.13 Contracts having future budgetary implications

In terms of the Municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

3.14 Capital expenditure details

The following three tables present details of the Municipality's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

Table SA35 Future financial implications of the capital budget

ELM 2020 – 2021 DRAFT IDP

Choose name from list - Supporting Table SA35 Future financial implications of the capital budget

Vote Description	Ref	2020/21 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Present value
R thousand								
Capital expenditure	1							
Vote 1 - Executive & Council		1 500	1 569	1 641	1 717	1 796	1 878	1 965
Vote 2 - Budget and Treasury		7 745	8 101	8 474	8 864	9 272	9 698	10 144
Vote 3 - Corporate dmin		6 150	6 433	6 729	7 038	7 362	7 701	8 055
Vote 4 - Community Services		3 340	3 494	3 654	3 822	3 998	4 182	4 375
Vote 5 - Strategic Planning Development		1 500	1 569	1 641	1 717	1 796	1 878	1 965
Vote 6 - Infrastructure Planning & Development		61 349	38 734	40 881	42 762	44 729	46 786	48 939
Vote 7 - [NAME OF VOTE 7]		-	-	-				
Vote 8 - [NAME OF VOTE 8]		-	-	-				
Vote 9 - [NAME OF VOTE 9]		-	-	-				
Vote 10 - [NAME OF VOTE 10]		-	-	-				
Vote 11 - [NAME OF VOTE 11]		-	-	-				
Vote 12 - [NAME OF VOTE 12]		-	-	-				
Vote 13 - [NAME OF VOTE 13]		-	-	-				
Vote 14 - [NAME OF VOTE 14]		-	-	-				
Vote 15 - [NAME OF VOTE 15]		-	-	-				
List entity summary if applicable								
Total Capital Expenditure		81 584	59 900	63 021	65 920	68 952	72 124	75 442
Future operational costs by vote	2							
Vote 1 - Executive & Council								
Vote 2 - Budget and Treasury								
Vote 3 - Corporate dmin								
Vote 4 - Community Services								
Vote 5 - Strategic Planning Development								
Vote 6 - Infrastructure Planning & Development								
Vote 7 - [NAME OF VOTE 7]								
Vote 8 - [NAME OF VOTE 8]								
Vote 9 - [NAME OF VOTE 9]								
Vote 10 - [NAME OF VOTE 10]								
Vote 11 - [NAME OF VOTE 11]								
Vote 12 - [NAME OF VOTE 12]								
Vote 13 - [NAME OF VOTE 13]								
Vote 14 - [NAME OF VOTE 14]								
Vote 15 - [NAME OF VOTE 15]								
List entity summary if applicable								
Total future operational costs		-	-	-	-	-	-	-
Future revenue by source	3							
Property rates								
Service charges - electricity revenue								
Service charges - water revenue								
Service charges - sanitation revenue								
Service charges - refuse revenue								
Rental of facilities and equipment								
List other revenues sources if applicable								
List entity summary if applicable								
Total future revenue		-	-	-	-	-	-	-
Net Financial Implications		81 584	59 900	63 021	65 920	68 952	72 124	75 442

2.1.1 *IDP & Budget Timetable*

The preparation of the IDP and Budget was guided by following schedule of key deadlines as approved by Council on August.

1. INTRODUCTION

Elundini Local Municipality is geographically the second largest Municipality, behind Senqu LM, within the Joe Gqabi District Municipality with an area of 5064 km² and has 17 wards. It is located in the East of the Joe Gqabi DM and shares the boundaries with the following LMs:

- Umzimvubu to the Northeast,
- Matatiele to the North,
- Mhlontlo to the southeast,
- Sakhisizwe to the southwest and,
- Senqu to the West.

According to the revised population estimates based on the Community Survey 2007 (Statistics SA, 2007), ELM has a population of approximately 138 141 (compared to the Census 2011 estimates. People residing in 35 553 households (compared to 33 248 households).

According to the 2011 Census 77% of households are rural in nature, this includes rural villages and farm households. This dynamic is shifting with the phenomenon of urban in-migration occurring in ELM. This is

especially evident in the town of Ugie, where the town's population has increased from 8 344 in 2001 to approximately 16 355 in 2004.

LEGAL CONTEXT

An Integrated Development Plan (IDP), adopted by the Municipal Council, is a key strategic planning tool for the municipality. It is described in the Municipal Systems Act (MSA) 32 of 2000 as:

35(1) (a) "...the principal strategic planning instrument which guides and informs all planning and development, and all decisions with regard to planning, management and development, in the municipality";
(b) "...binds the municipality in the exercise of its executive authority...;

In accordance with legislation, Elundini Local Municipality's IDP sets out the long-term vision of the Municipality:

"...a leading rural municipality that delivers better quality of life for all citizens"
"a municipality that is phenomenally viable and highly successful & partionately people centered"

Elundini Local Municipality's IDP also details the:

- development priorities and objectives, which contribute towards achieving this vision, over the Council's elected term;
- strategies, which are the means by which these objectives will be achieved;
- IDP programmes and projects which link to the strategies and contribute to the achievement of the objectives.

Elundini Local Municipality will review and further develop its IDP and Budget in accordance with the requirements as set out in the Local Government: Municipal Systems Act (MSA) 32 of 2000, the Local Government: Municipal Planning and Performance Management Regulations 2001 and the Municipal Finance Management Act 56 of 2003.

In terms of the MSA, a municipality is required to review its IDP annually. Annual reviews allow the municipality to expand upon or refine plan and strategies, to include additional issues and to ensure that these plans and strategies inform institutional and financial planning.

The review and amendment of the IDP thus, further develops the IDP and ensures that it remains the principal management tool and strategic instrument for the Municipality.

MSA 34 - A Municipal Council-
(a) must review its IDP-

- | |
|---|
| <ul style="list-style-type: none">(i) <i>annually in accordance with an assessment of its performance measurements ... ; and</i>(ii) <i>to the extent that changing circumstances so demand; and</i>(b) <i>may amend its IDP in accordance with a prescribed process.</i> |
|---|

PROCESS PLAN

It is required by legislation that a municipal council prepares and adopts a process to guide the planning, drafting and adoption of its IDP.

<i>MSA 28(1) each municipal council ... must adopt a process set out in writing to guide the planning, drafting, adoption and review of its IDP.</i>
--

This Process Plan outlines the programme to be followed and provides details on issues specified in the Act. A Process Plan is required to include:

- a programme specifying time-frames for different steps;
- outline mechanisms, processes and procedures for consultation of the community, organs of state, traditional authorities and other role players;
- identify all plans and planning requirements binding on the municipality;
- be consistent with other matters prescribed by legislation.

<i>MSA 29(1) the process followed by a municipality to draft its IDP, including its consideration and adoption of the draft plan, must –</i>
--

- | |
|---|
| <ul style="list-style-type: none">(a) <i>be in accordance with a predetermined programme specifying time-frames for the different steps;</i>(b) <i>through appropriate mechanisms, processes and procedures establish in terms Chapter 4, allow for –</i><ul style="list-style-type: none">(i) <i>the local community to be consulted on its development needs and priorities;</i>(ii) <i>the local to participate in the drafting of the IDP; and</i>(iii) <i>organs of state, including traditional authorities, and other role players to be identified and consulted on the drafting of the IDP;</i>(c) <i>provide for the identification of all plans and planning requirements binding on the municipality in terms of national and provincial legislation; and</i>(d) <i>be consistent with any other matters that may be prescribed by regulation.</i> |
|---|

IDP INFORMANTS

In reviewing the IDP, consideration has been given to:

- an assessment of implementation performance and the achievement of IDP targets and strategic objectives, considering the impact of success and the corrective measures necessary to address problems;
- issues raised by communities;
- changing internal and external circumstances, that impact on the priority issues, objectives and strategies;
- comments received from the MEC;
- issues raised by the Auditor-General;
- the powers and functions of the municipality;
- recent research, surveys, studies and new information arising out of Elundini Local Municipality Sector Plans and from other institutions;
- National and Provincial studies, plans and policies.

BINDING PLANS & LEGISLATION

The Local Government: Municipal Structures Act 117 of 1998, Municipal Systems Act 32 of 2000 and Municipal Finance Management Act 56 of 2003 are specific to municipalities and are the key important legislations for the development of the IDP. Further, national sector legislations contain various kinds of requirements for municipalities to undertake planning.

A list National and Provincial legislation impacting on the development and review of the IDP and Budget is attached as an Annexure.

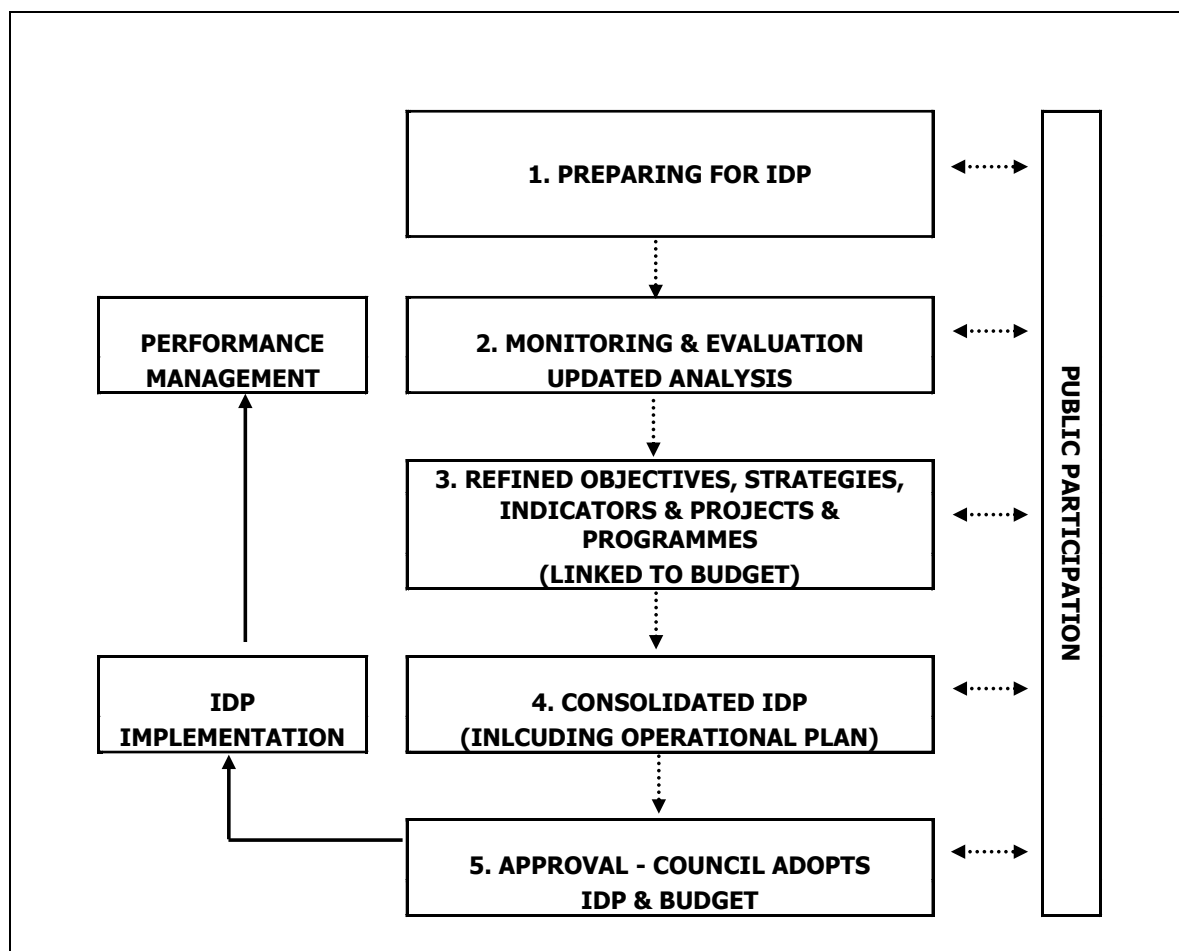
Some important National and Provincial guiding plans and policy documents for the IDP include the Medium-term Strategic Framework, the National Development Perspective (NSDP), the Eastern Cape Provincial Spatial Development Plan (ECPSDP), the Eastern Cape Provincial Growth and Development Plan (ECPGDP) and recently the Joe Gqabi District Growth and Development Summit (GDS).

ELUNDINI LOCAL MUNICIPALITY: KEY FOCUS FOR IDP

It is imperative that the IDP explicitly articulates the priorities and objectives of the Council and that the resources of the Council are effectively utilized to achieve these. To this end ELM's IDP and Budget are developed as part of a coherent integrated process. One of the key focuses this year will be to enhance the effective utilisation of Elundini's resources through the further development of a project prioritisation application and the Capital Expenditure Framework Plan.

2. IDP PROCESS

The IDP Process as depicted in the figure below is a continuous cycle of planning, implementation and evaluation.



All municipalities are required by law to prepare a Process Plan for their integrated development planning. The preparation of the planning process has been regulated in the Municipal Systems Act, 2000 (Chapter 4, Section 29). This document identifies the roles and responsibilities for everyone involved in the process; it also sets out mechanisms and procedures for community participation, timeframe and costs estimates. It is this Process Plan which will be a guide to the actual Integrated Development Planning Process.

2.1. PROGRAMME AND TIME FRAMES

Below is a table of the Programme that summarizes the overall time frames for various phases and highlights some of the key events and activities.

PHASES	PERIOD	KEY EVENTS/ACTIVITIES
Preparation	July 2019 – Aug 2019	<ul style="list-style-type: none"> • Submit SDBIP to the Mayor • Review of performance plans/agreements • Prepare Process Plan • Presentation and submission of draft Process Plan to the EXCO • Submit the Process Plan to for adoption • Attend District IDP Rep Forum
Monitoring, Evaluation & Updated Analysis	Aug 2019 – Nov 2019	<ul style="list-style-type: none"> • IDP & Budget Rep Forum • IDP & Budget Steering Committee • Ward Surveys • Public Consultation (Mayoral Outreach) • IDP & Budget Steering Committee • Attend District IDP Rep Forum
Objectives, Strategies, Projects & Programmes	Nov 2019 – Jan 2020	<ul style="list-style-type: none"> • Mayoral Strategic Planning Workshop: • IDP & Budget Steering Committee • Review of performance plans/agreements • Attend District IDP Rep Forum • 1st Mayoral Strategic Planning Workshop
Consolidate IDP	Jan 2020 – April 2020	<ul style="list-style-type: none"> • IDP & Budget Rep Forum • Attend District IDP Rep Forum • IDP & Budget Steering Committee • Council approve draft IDP & Budget • Advertise for comments & public participation • Submit the draft IDP & Budget to MEC for Local Government and to National & Provincial Treasury for commenting • Public Consultation (Mayoral Outreach) • Attend District IDP Rep Forum
Approval	April 2020 – Jun 2020	<ul style="list-style-type: none"> • Public Consultation on Draft IDP & Budget • 2nd Mayoral Strategic Planning Workshop • IDP & Budget Rep Forum • Final IDP & Budget submitted to Council for adoption • Submit the final IDP & Budget to MEC for Local Government and to National & Provincial Treasury for commenting

		<ul style="list-style-type: none">• Develop draft SDBIP
--	--	---

2.2. PHASE 1: PREPARING FOR IDP REVIEW

During this phase all institutional preparations and arrangements are made to ensure that the process runs smoothly. This include among others:

- Designing an action plan/programme (attached as an Annexure) for the process indicating main activities and time framed;
- Assigning roles and responsibilities;
- Putting in place organizational arrangements and the procedures and mechanisms for public participation.

The key “output” of this phase is a Process Plan to be approved by Council.

2.3. PHASE 2: MONITRING, EVALUATION & UPDATED ANALYSIS

The purpose of this phase is to find out “what is happening” and to ensure that decisions will be based on:

- people’s priority needs and problems;
- knowledge of available and accessible resources;
- proper information and understanding of the dynamics influencing the development in the municipality.

The process will involve gathering and collecting relevant information, including:

- identification of what has been achieved and the gaps with respect to previous IDPs;
- progress with the internal and external sources, for example:
 - (i) new policy legislation;
 - (ii) budget information from other spheres of government and Senqu Municipality – identifying potential and available funding from all sources;
 - (iii) more or improve in-depth information about the existing situation and priority issue, information about new development and trends – including information arising out of sector plans;
 - (iv) input from stakeholder organizations and constituencies.

Since all Ward Committees are now in place and where they are not functioning, their revival will then have to be effected, a ward survey using Ward Plans, will be undertaken to clarify the key issues for each of the 17 wards. Consideration will need to be given as to how all of the information impacts on the priority issues, objectives and strategies.

The output of this phase will be a draft updated Analysis Report, wherein the prioritized/key issues for ELM, are identified, elaborated and discussed. This report will port will then be given to both the IDP & Budget Steering Committee and IDP & Budget Representative Forum Meetings.

2.4. PHASE 3: OBJECTIVES, STRATEGIES, PROJECTS & PROGRAMMES

The knowledge generated by the previous phase will inform this phase. The objectives, strategies, projects and programmes, within the existing IDP, will be evaluated in the light of the 'Analysis' and thereafter, appropriate changes and adjustments will be made.

It will therefore be proposed that the prioritisation undertaken during this phase be informed by both geographical areas and critical issues.

The Mayoral Strategic Workshop/Meeting will have to be held with the Executive Committee, Ward Councillors and the IDP & Budget Technical Committee to discuss among other, the following:

- the draft analysis report, including the ward survey;
- key issues will be presented for discussion and debate;
- the proposed broad areas of geographic focus will be presented for discussion and debate;
- IDP objectives and strategies;
- consideration will be given to the draft operational budget, in the light of the key issues;
- discussions will be held on broad budget allocations and the project evaluation application.

2.5. PHASE 4: CONSOLIDATE

It is anticipated that during this phase:

- the IDP programmes and projects will be further refined through the work of both the IDP & Budget Steering and IDP & Budget Technical Committees;
- the draft IDP & Budget will be presented to the IDP & Budget Rep Forum; and
- the IDP & Budget Report will be consolidated, ready for submission to the Council for approval.

Once the draft IDP and Budget 2020/21 have been approved by the Council, they will be advertised for public comments and reviewed.

2.6. PHASE 5: APPROVAL

During this phase consideration will be given to the comments arising out of the public participation process and the draft IDP will be submitted, together with the budget, to the Council for adoption.

3. INSTITUTIONAL ARRANGEMENTS AND ROLES & RESPONSIBILITIES

The development of the IDP and Budget involves Municipal Officials, Councillors as well as stakeholders/actors outside the Municipality.

The proposed distribution of roles and responsibilities of structures is described overleaf:

ROLE PLAYERS	ROLES AND RESPONSIBILITIES
Local Municipality	<ul style="list-style-type: none">• Prepare, decide and adopt a Process Plan• Overall management and co-ordination of plan• Co-ordinate public participation• Review sector plans• Adopt and approve the IDP• Adjust IDP in accordance with MEC's proposals• Align IDP with key performance indicators developed by DPLG.
Executive Committee	As the Senior Governing Body of the municipality, it has to: <ul style="list-style-type: none">• Decide on the Process Plan.• Manage, co-ordinate and monitor the process and draft the IDP (or delegate to the MM)• Approve nominated persons to be in charge of the different roles, activities and responsibilities
Municipal Council	<ul style="list-style-type: none">• Political decision making body• Consider, adopt and approve process plan and IDP• Ensure the annual business plans and budget are linked to and based on the IDP.• Adjust IDP in accordance with the MEC's proposals
Ward Councillors/Ward Committees (assisted by CDWs)	<ul style="list-style-type: none">• Major link between municipality and residents• Link the planning process to their wards or constituencies• Organize public consultation and participation• Represent the ward at the IDP & Budget representative forum• Analyze ward-based issues, determine priorities, negotiate and reach consensus.
Municipal Manager/ IDP Manager (Mr. K. Gashi)	The Municipal Manager or IDP Manager has to manage and co-ordinate the IDP process. This includes: <ul style="list-style-type: none">• Preparing the Process Plan• Undertake the overall management and co-ordination of the planning process• Ensure that all relevant actors are appropriately involved• Nominate persons in charge of different roles• Responsible for day-to-day management of the drafting process

	<ul style="list-style-type: none"> • Responds to comments on the draft IDP from public and other spheres of government to the satisfaction of the municipal council • Ensure that the planning process is participatory, strategic and implementation oriented and is aligned with and satisfies sector planning process. • Ensure proper documentation of the results of the planning of the IDP document • Adjust IDP in accordance with MEC's proposals <p>The Municipal Manager can and may delegate a some of his/her functions to the Municipality's top management or any other municipal official in terms of Section 79 (1) (b) (i) and (ii) of the MFMA but the ultimate responsibility and accountability still rests with him.</p>
Heads of Department and Officials	<p>As people in charge for the implementation of IDP, they have to be fully involved in the planning process to:</p> <ul style="list-style-type: none"> • Provide relevant technical, sector and financial information for analyzing and determining priority issues, • Contribute technical expertise in the consideration and finalization of strategies and identification of projects, • Provide departmental operational and capital budgetary information, • Be responsible for the preparation of project proposal, the integration of projects and sector programmes, • Review sector plans • Attend IDP & Budget Steering Committee and all other IDP & Budget related engagements, and • Be responsible for preparing amendments to the draft IDP for submission to the Municipal Council for approval and the MEC for Local Government for alignment.
Community at Large	<ul style="list-style-type: none"> • Represents interests, contribute knowledge and ideas to the Representative Forum • Inform interest groups, communities and organizations • Analyze issues, determine priorities, negotiate and reach consensus • Participate in designing project proposals • Discuss and comment on the draft IDP • Monitor performance in implementation • Conduct meetings with groups, communities, etc to prepare for and follow-up on relevant planning activities.

The proposed institutional arrangement for the IDP & Budget is described as follows:

STRUCTURE	MEMBERS	TERMS OF REFERENCE
IDP & Budget Steering Committee	<p>Chair: Mr. K. Gashi (Municipal Manager)</p> <p>Secretariat: IDP Unit</p> <p>All HODs and Assistant Managers</p>	<ul style="list-style-type: none"> • Provide ToR for various planning activities • Commissions research studies • Considers and comments on: <ul style="list-style-type: none"> - inputs from sub-committee study teams and Service Providers - inputs from national and provincial sector departments and support providers • Processes, summaries and documents inputs. • Makes content recommendations • Prepares, facilitates and documents meetings
Finance Sub-committee	Chair: (CFO)	Considers budget proposals
IDP & Budget Rep Forum	<p>Chair: Mayor: Cllr Lengs</p> <p>Secretariat: IDP Unit</p> <p>Composition:</p> <ul style="list-style-type: none"> • All councillors • HODs and Assistant Managers • 2 Reps from Ward Committees • All CDWs • 2 Reps from Traditional Leaders • 1 Rep from Stakeholder representatives of organized groups • 2 Reps from Community representatives • Reps from Sector Depts. • 2 Reps from Advocates for unorganized groups 	<ul style="list-style-type: none"> • Represents interests of their constituencies in the IDP processes • Provide an organizational mechanism for discussion, negotiation and decision making between stakeholders including the municipal government. • Monitor performance of the planning and implementation processes • Participates in the process of setting up and monitoring KPIs
Assistant Manager: IDP/PMS	IDP Unit	<ul style="list-style-type: none"> • Responsible for preparing the Process Plan

		<ul style="list-style-type: none"> • Responsible for the day-to-day management of the planning process
IDP & Budget Technical Committee	<p>Chair: Mr. K. Gashi</p> <p>Composition: All HODs; Assistant Managers and officials reporting directly to the HODs</p>	<ul style="list-style-type: none"> • Must provide relevant technical, sector and financial information for analysis for determining priority issues • Must contribute technical expertise in the consideration and finalization of strategies and identification of projects • Must provide departmental operational and capital budgetary information • Must be responsible for the preparation of project proposals, the integration of projects and sector programmes • Must be responsible for preparing amendments to the draft IDP for submission to Municipal Council for approval

4. MECHANISMS AND PROCEDURES FOR COMMUNITY AND STAKEHOLDER PARTICIPATION

One of the main features about IDP and Budget Processes is the involvement of community and stakeholder organizations in the process. This ensures that the IDP addresses the real issues that are being experienced by the citizens. Both the Constitution of the Republic of South Africa, 1996 and the Municipal Systems Act of 2000 stipulate that one of the objectives of municipalities is “To encourage the involvement of communities and community organizations in the matters of local government”. The White Paper on Local Government also put emphasis on public participation.

Through the Municipal Systems Act, participation in the decision-making processes of the municipality, participation of communities, residents and ratepayers is determined to be a right. IDP is, therefore, also emphasized as a special field of public participation.

4.1. Participation Mechanism

Provisions of MSA Chapter 4 Section 17 provide for mechanisms for participation:

- IDP Rep Forum to verify and add data
- District Municipality's Rep Forum to ensure that local priorities are adequately reflected on the District's IDP
- Use Ward Councillors to call meetings to keep communities informed on IDP progress (including Ward Committees and CDWs)
- Publish annual reports on municipal progress
- Advertise on local news papers and community radios on the progress
- Develop pamphlets and booklets on IDP where necessary
- Making the IDP document available to all units and public places for public comments
- Making use of municipal website.

4.2. Appropriate Language Use

English will be used as a medium language; however, in community meetings languages that are spoken in that community will also be used.

4.3. Appropriate Venues and Transport

- Officials will be responsible for arranging venues and transport for all wards;
- Transport will be arranged for Traditional Leaders, Designated Groups and Ward Committees;
- ELM will be responsible for the costs of these meetings
- ELM will prepare a budget outline for IDP & Budget meetings
- Refreshments will be provided at the discretion of the Municipal Manager.

4.4. Mechanisms and Procedures for Alignment

The IDP Manager (Municipal Manager) and the Assistant Manager IDP/PMS of ELM will be responsible for ensuring smooth co-ordination of the IDP process and its alignment with the District's IDP through bilateral discussions with affected sector departments and neighbouring Municipalities. Inter-Governmental Forums will also be used to ensure that beneficial alignment of programmes and projects do occur.

5. ANNEXURES

5.1. Binding Legislation

5.2. Action Plan

ANNEXURE 5.1

BINDING LEGISLATION

The Elundini Local Municipality's IDP & Budget formulation and implementation processes will be bound by the following set of legislations (the inventory in the table below is not exclusive of other applicable legislation that may be omitted for lack of information or other reasons):

NATIONAL LEGISLATION	SUMMARY/SCOPE OF LEGISLATION
GENERAL MANAGEMENT	
Constitution of the Republic of South Africa, 1996	<ul style="list-style-type: none">• To introduce the constitution and to provide for matters incidental thereto
Local Government: Municipal Systems Act, 2000	<ul style="list-style-type: none">• To give effect to “developmental local government”• To set principles, mechanisms and processes to promote social and economic upliftment of communities and to ensure access to affordable services for all• To set a framework for planning, performance management, resource mobilization and organizational change and community participation
Local Government: Municipal Structures Act, 1998 as amended	<ul style="list-style-type: none">• To provide for the establishment of municipalities in accordance with the requirements relating to the categories and types of municipalities, the division of functions and powers between municipalities and appropriate electoral systems• To regulate internal systems, structures and office-bearers
Local Government: Municipal Demarcation Act, 1998	<ul style="list-style-type: none">• To provide for the demarcation of boundaries of municipalities for the establishment of new municipalities
Local Government: Cross-Boundary Municipalities Act, 2000	<ul style="list-style-type: none">• To authorize the establishment of cross-boundary municipalities• To provide for the re-demarcation of the boundaries of such municipalities under certain circumstances and to provide for matters connected therewith.

Consumer Affairs (Unfair Business Practices) Act, 1996	<ul style="list-style-type: none"> To provide for the investigation, prohibition and control of unfair business practices in the interest of consumers.
Municipal Electoral Act, 2000	<ul style="list-style-type: none"> To regulate municipal elections To amend certain laws and to provide for matters connected therewith
Organized Local Government Act, 1997	<ul style="list-style-type: none"> To provide for the recognition of national and provincial organizations representing the different categories of municipalities and the designation of representatives to participate in the National Council of Provinces
Promotion of Local Government Affairs Act, 1983	<ul style="list-style-type: none"> To provide for the co-ordination of functions of general interest to local authorities and of those functions of local authorities which should in the national interest be co-ordinated.
Local Government Transition Act, 1983	<ul style="list-style-type: none"> To provide for matters relating to municipalities in the interim phase, powers and functions of municipalities and actions of officials and councilors
Occupational Health and Safety Act, 1993	<ul style="list-style-type: none"> To provide for occupational health and safety in the work place and the protection of persons outside the work place against hazards to health and safety arising from activities of persons at the work place
Promotion of Access to Information Act, 2000	<ul style="list-style-type: none"> To control and regulate the right of all persons to access to information
Promotion of Fair Administrative Justice Act, 2000	<ul style="list-style-type: none"> To give effect to the right to administrative action that is lawful, reasonable and procedurally fair in terms of the Constitution of the Republic of South Africa
Promotion of Equality and Prevention of Unfair Discrimination Act, 2000	<ul style="list-style-type: none"> To give effect to Section 9 read with Item 23(1) of Schedule 6 to the Constitution of the Republic of South Africa, 1996, to prevent and prohibit unfair discrimination and harassment. To promote equality and to eliminate unfair discrimination and to prevent and prohibit hate speech and to provide for matters connected therewith
FINANCE	
Appropriation of Revenue Act, 2000	<ul style="list-style-type: none"> To provide for a fair division of revenue to be collected nationally between national, provincial and local government spheres
Business Act, 1991	<ul style="list-style-type: none"> To repeal certain laws regarding the licensing of businesses.

	<ul style="list-style-type: none"> To provide for the licensing and operation of certain businesses, shop hours and related matters
Debt Collection Act, 1998	<ul style="list-style-type: none"> To provide for controlled debt collecting
Income Tax Act, 1962	<ul style="list-style-type: none"> To provide for the payment of taxes on incomes of persons and taxes on donations
Insolvency Act, 1936	<ul style="list-style-type: none"> To consolidate and amend the law relating to insolvent persons and their estates
Local Authorities Capital Development Fund Ordinance, 1978 READ WITH Local Government Affairs Second Amendment Act, 1993	<ul style="list-style-type: none"> To provide for the establishment and management of a Capital Development Fund and for matters incidental thereto
Municipal Accountants' Act, 1988	<ul style="list-style-type: none"> To provide for the establishment of a Board for Municipal Accountants and for the registration of Municipal Accountants and the control of their profession
Local Government: Municipal Finance Management Act, 2003	<ul style="list-style-type: none"> To regulate financial management in the local sphere of government to require that all revenue, expenditure, assets and liabilities of municipalities and municipal entities are managed efficiently and effectively. To determine responsibilities of persons entrusted with local sphere financial management and to determine certain conditions and to provide for matters connected therewith
Public Finance Management Act, 1999	<ul style="list-style-type: none"> To regulate financial management in the national and provincial government and, inter alia, provincial public entities
Local Government: Municipal Property Rates Act, 2004	<ul style="list-style-type: none"> To regulate the power of a municipality to impose rates on property To make provision for fair and equitable valuation methods on properties.
Pension Benefits for Councillors of Local Authorities Act, 1987	<ul style="list-style-type: none"> To provide pension benefits for councillors
Reporting by Public Entities Act, 1992	<ul style="list-style-type: none"> To provide for the reporting to Parliament by public entities
Prescribed Rate of Interest Act, 1975	<ul style="list-style-type: none"> To prescribe and regulate the levying of interest from debtors
Value-Added Tax Act, 1991	<ul style="list-style-type: none"> To provide for the taxation in respect of the supply of goods and services.
ADMINISTRATION/CORPORATE AND LEGAL SERVICES	
Electoral Act, 1998	<ul style="list-style-type: none"> To manage and regulate elections on national, provincial and local government level

Expropriation Act, 1975	<ul style="list-style-type: none"> To provide for the expropriation of land and other property for public and certain other purposes and matters connected thereto
Rental Housing Act, 1999	<ul style="list-style-type: none"> To define the regulation of Government in respect of rental housing
Residential Landlord and Tenant Act, 1997	<ul style="list-style-type: none"> To provide for the regulation of landlord-tenant relations in order to promote stability in the residential rental sector in the province.
TOWN PLANNING AND SPATIAL DEVELOPMENT	
Development Facilitation Act, 1995	<ul style="list-style-type: none"> To provide for IDPs, reflecting current planning and to institutionalise development tribunals for evaluation applications
Land Use Management Bill, 2002	<ul style="list-style-type: none"> To establish a uniform land use management system.
Physical Planning Act, 1991	<ul style="list-style-type: none"> To provide guidelines for the drafting of urban development plans.
Planning Professions Act, 1998	<ul style="list-style-type: none"> To provide for the training and registration of professional planners.
ENVIRONMENT	
Environmental Conservation Act, 1989	<ul style="list-style-type: none"> To provide for environmental impact assessments and exemptions, noise control areas etc. To provide for the effective protection and controlled utilisation of the environment and for matters incidental therewith
National Environmental Management Act, 1998	<ul style="list-style-type: none"> To provide for co-operative environmental governance by establishing principles for decision making on matters affecting the environment and to provide for matters connected therewith.
ENGINEERING/TECHNICAL SERVICES	
National Water Act, 1998	<ul style="list-style-type: none"> To provide for fundamental reform of the laws relating to water resources
Water Services Act, 1997	<ul style="list-style-type: none"> To provide for the rights of access to basic water supply and sanitation, national standards and norms for tariffs and services development plans.
Regulations on Advertisements on or Visible from National Roads, 1998	<ul style="list-style-type: none"> To control all advertising on national and regional roads
SAFETY AND SECURITY	
South African Police Service Act, 1995	<ul style="list-style-type: none"> To provide, inter alia, for a municipal police
Criminal Procedure Act, 1977	<ul style="list-style-type: none"> To consolidate and regulate procedure and evidence in criminal proceedings
Road Traffic Management Corporation Act, 1999	<ul style="list-style-type: none"> To provide, in the public interest, for co-operative and co-ordinated strategic planning, regulation, facilitation and law enforcement in respect of road

	traffic matters and to provide for matters connected therewith
Prevention of Illegal Eviction from and Unlawful Occupation of Land Act, 1998	<ul style="list-style-type: none"> To provide for the eviction of unlawful occupants of land the protection of the rights of such occupants under certain conditions
National Road Traffic Act, 1996	<ul style="list-style-type: none"> To regulate traffic on public roads, the registration and licensing of motor vehicles and drivers, including fitness requirements and incidental matters
National Land Transport Interim Arrangements Act, 1998	<ul style="list-style-type: none"> To make arrangements relevant to transport planning and public road transport services.
Disaster Management Act, 2002	<ul style="list-style-type: none"> To provide for an integrated, co-ordinated and common approach to disaster management by all spheres of government and related matters
Fire Brigade Services Act, 1987	<ul style="list-style-type: none"> To provide for the rendering of fire brigade services and certain conditions to the rendering of the service
HEALTH AND WELFARE	
Hazardous Substance Act, 1973	<ul style="list-style-type: none"> To control matters relating to gas, petrol and liquids
Health Act, 1977	<ul style="list-style-type: none"> To provide for the promotion of health of the inhabitants of the Republic of South Africa, for the rendering of health service To define the duties, powers and responsibilities of certain authorities which render such services and for the co-ordination of the services
National Policy for Health Act, 1990	<ul style="list-style-type: none"> To provide for control measures to promote the health of the inhabitants of the Republic of South Africa and for matters connected thereto
HUMAN RESOURCES	
Employment Equity Act, 1998	<ul style="list-style-type: none"> To promote the constitutional right of equality and the exercise of true democracy To eliminate unfair discrimination in employment To redress the effect of unfair discrimination in the work place to achieve a workforce representative of the population
Basic Conditions of Employment Act, 1997	<ul style="list-style-type: none"> To give effect to the right to fair labour practices To provide for the regulation of basic conditions of employment.
Labour Relations Act, 1995	<ul style="list-style-type: none"> To regulate the organizational rights to trade unions, the right to strike and lock-outs To promote and facilitate collective bargaining and employee participation in decision making To provide simple procedures for labour disputes

Skills Development Act, 1998	<ul style="list-style-type: none"> • To provide for the implementation of strategies to develop and improve the skills of South African workforce • To provide for Learnerships • To regulate the employment services and the financing of skills development
Compensation of Occupational Injuries and Diseases Act, 1993	<ul style="list-style-type: none"> • To regulate the categories of persons entitled to compensation for occupational injuries and diseases, and to determine the degree of disabled employees
Skills Development Levies Act, 1999	<ul style="list-style-type: none"> • To provide for the imposition of a skills development levy and for matters connected therewith
South African Qualifications Authority Act, 1995	<ul style="list-style-type: none"> • To provide for the establishment of a National Qualifications Framework and the registration of National Standards Bodies and Standard Generating Bodies and the financing thereof
Unemployment Insurance Act, 1966	<ul style="list-style-type: none"> • To provide for the payment of benefits to certain persons and the dependants of certain deceased persons and to provide for the combating of unemployment
ELECTRICITY	
Electricity Act, 1987	<ul style="list-style-type: none"> • To provide for and regulate the supply of electricity and matters connected thereto.

ANNEXURE 5.2

ACTION PLAN

ANALYSIS PHASE		JULY '17 TO NOVEMBER '18		
	PURPOSE	ACTIVITIES	OUTCOME	DATE
IDP & Budget Steering Committee (Internal)	To outline the IDP Process Plan	1. Deal with Powers & Functions 2. Deal with current IDP projects & Budget 3. Discuss the Process Plan	<ul style="list-style-type: none"> Clarified LM's powers & functions Clarified IDP projects, expenditure & progress Finalized IDP Process Plan & budget. 	September 2019
IDP Information for Analysis	To capture community priorities & projects	1. Conduct ward visits. 2. Collection of facts and figures.	<ul style="list-style-type: none"> Understanding ward priorities and projects 	September 2019 – October 2019
IDP & Budget Steering Committee (Sector Dept's)		1. Presentation of the IDP Process Plan. 2. Presentation of priorities & projects		October 2019
IDP & Budget Rep Forum	To convene IDP Forum and set out the process to be followed on the formulation of IDP	1. Presentation of 3 Priorities & 3 Projects per Ward. 2. Presentation of IDP Process Plan	<ul style="list-style-type: none"> Finalized Process Plan 	November 2019
IDP & Budget Steering Committee Meeting		Presentation of draft budget & projects	<ul style="list-style-type: none"> Draft budget & projects 	November 2019
STRATEGIES PHASE		DECEMBER '17 TO FEBRUARY '18		

IDP & Budget Steering Committee	To discuss activities indicated	1. Vision & Mission 2. Strategies (Linked to KPA's) 3. Projects 4. Budget/MTEF		December 2019
IDP & Budget Rep Forum		1. Vision & Mission 2. Strategies (Linked to KPA's) 3. Projects 4. Budget/MTEF		December 2019
Municipal Workshop on IDP	Projects & Budget Workshop	Projects & Budget	• To finalise IDP Projects & Budgets	January 2020
IDP & Budget Rep Forum		Projects & Budget		February 2020
INTEGRATION & APPROVAL		MARCH '18 TO MAY '18		
IDP & Budget Steering Committee		1. First Draft IDP & Budget 2. Publicise draft IDP & Budget for comments	• (allow 21 days for the public to comment on the document)	March 2020
IDP & Budget Rep Forum		Presentation of draft IDP & Budget		March 2020
Council	To Adopt & approve of draft IDP & Budget	Council approves the draft IDP & Budget document.	Approved draft IDP & Budget Document	March 2020
Municipal Manager	To submit draft IDP & Budget to MEC for comments	The MEC to comment on the draft IDP & Budget document	Confirmed receipt of the draft IDP & Budget document	30 March 2020
IDP & Budget Steering Committee	To discuss comments from the MEC	Prepare final IDP & Budget	Comments from the MEC incorporated	16 April 2020

IDP & Budget Rep Forum	To prepare & present final IDP & Budget documents	Presentation of the final IDP & Budget IDP	Prepared and final IDP & Budget documents	30 April 2020
Council	To adopt & approve the final IDP & Budget documents	Approve & adopt the final IDP & Budget Document	Adoption & approve of the final IDP & Budget Document	31 May 2020
Municipal Manager	To submit to the Mayor a draft SDBIP & annual performance agreements (not later than 14 days) for approval	Submission of draft SDBIP & annual performance agreements	Submitted draft SDBIP & annual performance agreements.	14 June 2020
Mayor	To approve SDBIP	Approval of the SDBIP	Approved SDBIP	28 June 2020

2.1 Alignment of Annual Budget with Integrated Development Plan

The Integrated Development Plan (IDP) determines and prioritises the needs of the community.

The review of the Integrated Development Plan (IDP) in terms of the Municipal Systems Act was guided and informed by the following principles:

- **Achievement of the five strategic priorities of Elunidini Local Municipality.**

- **Focus on service delivery of backlogs and the maintenance of infrastructure.**
- **Address community priorities (needs) as identified in the IDP.**

The Operating and Capital Budgets were prepared in accordance with the IDP. The key strategic focus areas of the IDP are as follows:

- **Municipal transformation and development**
- **Service delivery and infrastructure development**
- **Local economic development**
- **Financial sustainability and viability**
- **Good governance and public participation**

The abovementioned strategic focus areas informed the preparation of the Budget.

After the tabling of the budget, a series of meetings will be held throughout the municipal area to consult with the elected public representatives, Ward Committees, employees of the Municipality, Civil Society, business, labour, National and Provincial Governments on how the draft budget addresses the IDP priorities and objectives. The feedback flowing from these meetings will be referred to the relevant Directorates for their attention.

The linking of capital projects to the IDP priorities has been relatively simple, whilst the difficulty in the past has been to link the Operating budget to the IDP. This is now facilitated through the Service Delivery and Budget Implementation Plan (SDBIP).

AFS IMPLEMENTATION PLAN	
Week ending	Activity
2019-05-31	Produce restated and interim AFS
2019-06-07	Internal audit review on restated and interim AFS
2019-06-21	Audit committee review of the restated and interim AFS
2019-04-15	Notice to departments to close procurement
2019-07-14	Compilation of the first draft AFS
2019-07-21	Internal audit & Provincial Treasury review of the draft AFS
2019-07-31	Audit committee review of the draft AFS
2019-08-07	AG review of the restated, interim AFS and draft AFS
2019-08-22	Submission of the final AFS to internal audit for review
2019-08-28	Internal audit review of final AFS
2019-08-30	Submit final AFS to AG & treasuries

COMPONENT C: AUDIT RESPONSE PLAN

ELUNDINI LOCAL MUNICIPALITY

AUDIT ACTION PLAN: 2020

#	Ref	Component	Query	Audit finding	Auditor's Recommendation	Management Response	Auditor's conclusion	Progress	Responsible Official	Target date	Remedial action	Progress from last report date
1	CoAF 1	Compliance	Performance evaluations for senior managers not performed for 17/18 mid-year and annual	Senior manager performance evaluations for mid-year as well as annual evaluations for 17/18 were not performed.	Management should ensure the following: · There is a monitoring tool to ensure that every employee is included in performance reviews and any developmental plans are recorded and discussed with the employee. · The performance management system should comply to all the requirements of the applicable legislation above. · There is an evaluation panel appointed to evaluate all senior managers within the required time.	We are not in agreement with the finding. The 2017/2018 mid-term performance assessments of section 57 employees were conducted on the 2 nd March 2018. The 2017/2018 annual assessment of section 57 employees were conducted on the 25 th June 2019.	Management response acknowledged however there is no portfolio of evidence submitted to support that evaluations were performed for mid-year as well as annual assessment. The finding remains and will be reported in the management report as part of internal control deficiencies important matters.	100%	Municipal Manager		There is no need for remedial action as the finding was erroneously not cleared by the AG. Information was provided to the AG, latest submission was on the 6th January 2020. The submission clearly states that the 2017/2018 mid-term assessment was done on the 2nd March 2018, and the attached reports were provided.	None

2		Internal control deficiencies	1. Fixed asset & ICT policy last reviewed in 2016	<p>During the audit of planning we noted that the following policies were not updated and reviewed by management:</p> <p>1. The fixed asset policy has last been reviewed on the 14 December 2016 and approved by council.</p> <p>2. VPN Access policy was compiled in March 2017 and has no review or approval date and it was not part of the policies reviewed by council on the 22 June 2018.</p>	<p>Management should ensure that:</p> <p>1. Policies and procedures are reviewed frequently or when a legislation or reporting framework is amended relating to that policy or procedure.</p> <p>2. The reviewed policies are submitted timeously to the council for adoption and approval.</p>	<p>We are in agreement with this finding that the Assets Policy was last reviewed on 14 December 2016. Management reviewed the Assets Policy and the Asset Useful lives are also in line with Treasury Capital Asset Management Guidelines 2008. The Reviewed Fixed Assets Policy was approved by council on the 28 June 2019.</p> <p>VPN Access Policy has been made part of the ICT Related Services project that was initiated in August 2018. This policy has since been reviewed and will be submitted to council for approval in the next sitting which will take place in September 2019.</p>	<p>Management response acknowledged as management agrees with the finding. The finding remains and will be reported in the management report as part of internal control deficiencies as important matters.</p>	100%	CFO & Director Corp Serv.	2020-06-30	<p>VPN Access Policy has since been reviewed and will be submitted to council for approval in the council meeting which will take place in June 2020. The BTO policies have a plan to be reviewed annually before year end</p>	<p>The VPN Access policy has been reviewed. The fixed asset policy has since been reviewed as well</p>
3	CoAF 6	Operating expenditure	1. Expenditure: Insufficient information submitted	<p>1. Information submitted on RFI 14 for the below class of expenditure was incomplete/insufficient</p>	<p>Management should ensure that information submitted for audit purpose is reviewed by the audit controller for completeness and also ensure that controls around record keeping are in place by creating a checklist for each payment voucher to ensure that all necessary documents are attached in each payment voucher.</p>	<p>Management should state if they agree or disagree with the finding. If they agree with the finding the following should be stated:</p> <ul style="list-style-type: none"> · Corrective action to be taken: · Who (position) will be responsible for the corrective action to be taken: · The estimated date on which the corrective action would have been completed <p>Should management</p>	<p>Management's responses have been received, and the auditor's comments are as follows:</p> <p>1. Management agrees with the findings and has submitted, partially, the outstanding information which has been verified.</p> <p>2. Information has not been received/not suffice for the items above with no comments and the limitation misstatements for the</p>	30%	Income and Expenditure Manager	2020-06-30	<p>The audit controller will review the adequacy of information submitted to auditors. Prior to filing payment vouchers the Income & Expenditure Manager will check that all supporting documentation is in place. All vouchers will be scanned and saved both electronically and manually.</p>	<p>The scanning is in progress and July 2019 to September 2019 have been scanned thus far.</p>

						disagree with the finding, please provide us with supporting documents supporting your comment.	items will remain and be reported in both the management report and audit report.					
4		Operating expenditure	Remaining Population - Disagreement	Expenditure - Remaining population is overstated by the following (item 1.) which is recorded in an incorrect accounting period as the invoice was received on the 29th of June 2018. This should have been recorded as an accrual in the previous year.	Management should ensure that full and proper record keeping is done, including reviews and reconciliation of recording of transactions.	Management is in agreement with the finding.	Management response has been received and evaluated. The finding on cut-off will remain.	0%	Income and Expenditure Manager	2020-06-30	Both income and expenditure records for the first and the fourth quarters of the financial year will be perused for recording in the correct periods. All cashier receipts and payment vouchers identified as requiring recoding in other financial period will be journalised	None
5	CoAF 7	Procurement and contract management	1. SCM: Deviation not valid (Infrastructure options)	During the audit of SCM deviations, the following deviation was identified and the reasons provided for deviating were not in line with requirements of SCM regulation 36(1).	Management should disclose all expenditure incurred under the contract as irregular expenditure for the 2018/19 year.	Management is in disagreement with the finding on the following basis. The author of the NEC3 forms, the eligibility criteria document, the service provider that designed the whole SIPDM framework is Infrastructure options.	The finding has therefore not been resolved, and its impact will be evaluated further to determine its impact on the management and audit reports.	80%	SCM Manager	2020-01-01	1. All deviations will be subjected to close scrutiny to determine if they meet the criteria. 2. Deviations will be allowed to be used as a last resort when on other alternative procurement processes can be followed. 3. Formulate Deviation Committee that will closely scrutinize deviations prior to appointment.	Template that is aligned to SCM Regulation 36 is in place.
6			3. SCM: Non-Compliance with regulation 45	During the audit of the supply chain management function, we have identified an award made to supplier: Infrastructure Options whereby the supplier had declared that the spouse of one of its	Management should include all disclosures required by legislation in their annual financial statements.	Management agrees with the finding. The omission of the application of the provisions of Regulation 45 is acknowledged and the AFS will be rectified when an opportunity is presented.	Management's response has been noted, and they have agreed with the audit finding. However, the finding will only be resolved once the auditor has satisfied themselves of the following:	80%	SCM Manager	2020-01-01	SCM will perform close scrutiny of MBD Forms, compliance checklist shall include this component. This will ensure compliance to regulation 45.	Bid Specification Committee had sat to consider the terms of reference for vetting system and advert will be published before 19 February 2019 anticipating to appoint within 90

				directors was currently in the service of the state, however, no disclosure was provided for in relation to this in the annual financial statement of the municipality for the 2018/19 year, despite this being required by SCM regulation 45.		Management have submitted the adjusted annual financial statements, including adjusted registers. The auditor has satisfied themselves that management have submitted a process followed to effect the adjustments, controls in place, as well as what measures have been taken to identify other regulation 45 disclosures that have been omitted from disclosure in the financials, and correct for them as well.				The municipality is also in a process to procure a system that will aid the municipality to detect related parties. The step for verification of service provider will also be done prior to appointment.	days from closing date of the bid. Checklist has been designed to incorporate Regulation 45 requirements
7	CoAF 11	Contracts management	Retention % used does not agree with the	During the auditing of contracts management, selected a payment certificate in relation to contract ELM-3/051/2017-2018: Casnan Civils to determine whether or not retentions are being deducted from payments made to the contractor as this is a requirement of the contract in place. Our testing of this payment certificate revealed that municipality had only retained 5% of the value of works completed, as opposed to the 10% retention required by the contract.	Management should ensure that retentions are calculated using the correct rate per the signed contract between the municipality and the relevant contractor.	Management agree with the finding, the retention Clause stated in the contract data was Clause X16.1 and which makes reference to 10% retention as per the finding. Retention is only reduced to half the value at project completion. The nature of the contra is re-measurable, meaning that any incorrect calculation picked up on the payment can be rectified prior to final account issuing. The retention is meant to be all paid back to the contractor upon works completion. Management will reconcile retentions raised to align with the contract data provisions.	Management's responses have been noted, and the finding has been agreed to. However, the finding has not been resolved, and will be reported on in the management report, and assessed further for potential implications for the audit report as management have not responded with sufficient evidence as to how they have rectified this	Director - IPD	30/06/2020	The cited project is at completion stage and retention can no longer be corrected for the particular project. There is no requirement for cost recovery as the intention of all retention monies is for them to be released to the contractor at project completion	In all future projects the retention will be aligned to the contract provisions so as to ensure retentions are recorded correctly for the purposes of financial reporting

8	2. Contracts management	contract rate: ELM-3/051/2017-2018: Casnan Civils	<p>During the audit of contracts management, we could not obtain evidence that the municipality monitored performance on a monthly basis</p> <p>Management should ensure that performance is monitored on a monthly basis for all contracts awarded by the municipality that are still active during the financial year.</p> <p>1) Management does not agree with the findings. The performance of Interwaste was constantly monitored throughout the duration of the project to an extent that the following documents proving project monitoring were forwarded to Auditor General on request of proof of project monitoring in respect of this project.</p> <p>a) There's a correspondence written to Interwaste inviting them to a PPP review meeting, detailing the resolutions taken on the date of the review meeting on the 12th of June 2019. The correspondence requested an action plan to respond on the highlighted issues.</p> <p>b) There's minutes as well supporting and highlighting the discussions of the meeting with Interwaste, the MM, Director Community Services as well as myself.</p> <p>c) There's a series of e-mails between the department and Interwaste where their July and August invoices have not been</p>	<p>Management's responses have been noted. Our comments based on your responses are detailed below:</p> <p>The legislation requires that performance be monitored on a monthly basis, and management have not done that. We have not been provided with monthly monitoring reports to this effect.</p>	60%	SCM Manager	28/02/2020	<p>A new template has been designed .The project managers using this template will assess the performance of vendors on a monthly basis. Assessment results shall be communicated to the service provider for continuous improvement purposes. This also means that early warnings of underperformance will be communicated timeously.</p>	<p>Monthly assessment of vendors appearing on the contracts that been conducted for quarter two. Other assessment forms are completed and some are not, the office is still awaiting end user departments to respond.</p>
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paid pending submission of the monthly reports in the format the PPP requires as well as per the resolutions of the meeting of the 12th of June 2019.

d) The said invoices have not been paid up to date and Interwaste indicated they will provide the required reports by latest the 04th of October 2019.

e) A sample of the August 19 monthly report that Interwaste submits without the details requested as per the correspondence and e-mails sent

2) Vendor performance reports were submitted and signed by the End User Department and all the complaints contemplated on the vendor performance reports were communicated to the service provider e.g. 1

(c) Management disagrees with the finding. All vendor performance reports were submitted and signed by the End User Department and all the complaints contemplated on the vendor performance reports were communicated to the service provider.

During the last quarter

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						there was correspondence to the service provider which was communicated by the end user 2. ELM-2/037/2017-2018: Siyanda Business Solution: Preparation of Annual Financial Statements for a period of three years. Management disagrees with the finding. Siyanda was appointed to draft AFS and to conduct responses to audit queries. They did not meaningfully take part in 2018 financial statements as their appointment was too late. It's the first time that they were involved in the drafting of 2019 financial statements and the submission thereof. The audit is not yet concluded for us to have a basis of assessing the performance of their work being the drafting of the financial statements and the conducting of audit responses. That is going to take place after the 30 November when the audit is concluded.						
9		3. Procurement and Contract Management	3. Contracts management: Possible circumvention of supply chain management processes	During the audit of variations for contracts management, we have inspected a variation order dated 19 May 2017 relating to	Management should ensure that all variation orders are in line with the supply chain management policy, and do not amount to the	Management disagrees with the finding. The municipality learnt in April 2017 that Intengu Communications who was appointed for	Management's comments have been noted, however, the finding has not been resolved due to the following:Although the work allocated to the	90%	SCM Manager	2020-01-01	The SCM Policy is explicitly clear on procedure to follow on variations. The BAC shall closely analyse each case prior approval of	No variation has been approved since last audit.

			<p>contract: ELM-1/009/2016-2017: Black Spot Media together with supporting reasons for the variation, and noted that the variation order was not line with the SCM policy as it effectively resulted in additional and new work being allocated to Black spot media. The reasons given for the variation were the fact that: 1. An existing service provider of the municipality: Intengu Communications CC was undergoing final liquidation, and they had remaining work that did they did not complete due to this under their original contract.2. The municipality then recommended that this additional work be allocated to Black spot media as a variation order, to an amount of R 75 000,00, which is 12,5% of their original contract amount of Black spot media.</p>	<p>circumvention of normal procurement processes.</p>	<p>production of newsletter was liquidated. During that period, the Municipality had advertised for a project which was intended to replace services of Intengu as the contract was about to expire on the 17 November 2016. Intengu was unable to complete the scope of work allocated to them due to liquidation and issues they had owing to liquidation processes. Meanwhile, Black Spot Media was appointed through competitive bidding process which started in November 2016. The bid was evaluated on capacity to carry out the project which covers the exact scope that Intengu couldn't finish. During the closing of the new bid it was unforeseen that Intengu would not be able to complete the task, hence the municipality was compelled to make use of services of the company that was recently appointed on the similar scope. As a matter of fact Black Spot was first assigned to do the Newsletter Magazine, a service which should have been done by Intengu Communications. All other tasks which were</p>	<p>Black Spot Media did not alter their scope of work, the municipality took work that was under a separate contract with another service provider, and allocated it to a different service provider under a separate contract. This results in additional and new work for Black Spot Media that was not part of the original scope of work in their original contract with the municipality. Based on the above, we are therefore still of the view that the variation order was inappropriate, and that the municipality should have instituted a new procurement process in relation to those services. Based on the above, we are therefore still of the view that the variation order was inappropriate, and that the municipality should have instituted a new procurement process in relation to those services. The variation order and resulting expenditure are all irregular, and irregular expenditure has been understated. This finding will be reported on in the management report.</p>		<p>variation or recommendations to the Council for such approval.</p>
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					within the appointed budget were done after the completion of the Newsletter.							
10	CoAF 13	SCM	1. SCM - CAATs exceptions	<p>During our CAATs procedures, we identified the following awards made to a service provider that is related as a partner to one of the councillors of the municipality. We have inspected the declaration of interest forms in relation to the awards, and confirmed that the service provider did not declare the interest in question. We were unable to obtain evidence that the councillors affected made the necessary declarations of interest to council.</p>	<p>The municipality should investigate interest identified by CAATs procedures, and where they have been identified to be valid, required disclosures in terms of regulation 45 must be provided for in</p>	<p>We disagree with the finding as the municipality is incapacitated from vetting service providers as there is no available system that is able to detect that information. During the evaluation, prior to any appointment, Central Supplier Database is used to confirm whether the service provider is a government employee or not and in this case there was no indication.</p>	<p>Management’s response has been noted, and management disagrees with the audit finding.</p> <p>However, the audit finding has not been resolved, and will be included in the management report, and be evaluated further to determine whether or not it has an impact on the audit report as well, due to the following:</p> <ul style="list-style-type: none">· Although management disagrees with the finding, they have not disputed the actual nature of the audit finding, which is the core of this communication. Management have not disproved the validity of the exceptions identified, and for this reasons, they remain valid.· Lastly, management have not commented on the entire communication of audit findings, they have rather zoomed in on part 2 of our exception relating to Thando Consulting. The first part of the finding in the nature section has not been commented on at all.	80%	SCM Manager	2020-01-01	<p>Over and above MBD Forms that are submitted by the service providers, SCM is in the process of compiling a register of Councillors with relatives who are suppliers. This will assist to identify false declarations. SCM has also designed its declaration form that will be completed by bidders during bidding process. It has been established that the MBD 4 Form they are signing may indirectly confuse bidders as it states that bidders need to declare relatives that might be involved in the evaluation or adjudication process. The ELM Declaration form, all bidders are obligated to declare any relatives they have who are employed in the organ of state. Thirdly, the municipality is in the process of buying a system that will assist with identifying related</p>	<p>A declaration form that will be completed by bidders during bidding process has been designed and appended to all standard bidding documents.</p> <p>All councillors have been given disclosure form to enable them to declare their related parties and financial interest.</p> <p>Bid Specification Committee had sat to consider the terms of reference for vetting system and advert will be published before 19 February 2019 anticipating to appoint within 90 days from closing date of the bid.</p>

							Management is disagreeing solely on the basis of the fact that they do not have a system to validate declarations made by suppliers during the bidding process, although this is true at the moment, it cannot be said to be the basis to disagree with the entire communication of audit finding. The only acceptable basis to disagree with the audit finding should have been if it was the case that management has evidence to prove that in actual fact, the exceptions identified are invalid.				parties as categorised in SCM Regulation 45.	
1 1	CoAF 16	Payables from exchange transactions	Disagreement	Payables from exchange transactions are misstated with the following item:	Management should ensure that full and proper record keeping is done, including reviews and reconciliation of recording of transactions.	No management response	Finding remains and will be reported in the management report as part of important matters.	0%	Chief Financial Officer	2020-02-28	Payment vouchers will be check for arithmetic accuracy, allocation in the correct segments and financial period upon processing	All incorrectly allocated transactions are marked and returned to the official that processed the initial entry to amend or cancel and recapture the voucher
1 2	CoAF 19	Employee costs	1. Position filled without advertisement and candidate meeting requirements	During the testing of appointments, we noted that the post currently occupied by Chief Of Staff was not advertised as per the policy and no interviews were conducted for the post. The job specifications of the post state that the employee must have 4 years' degree in Public	Management should ensure that appointments are conducted per the policy and if there is a deviation from the policy that should be supported by a memorandum that is stating reasons thereof to ensure compliance with laws and regulations is adhered to. Employees	Management is in disagreement with the finding. · The position of Chief of Staff was initially advertised in the Daily Dispatch newspaper with a closing date being the 17th November 2017, see attached advert. · Shortlisting was conducted on 2nd February 2018 and no	Management response acknowledged, however the basis used for head hunting were not submitted and the memorandum recommending the appointment of the headhunted candidate was not submitted. The finding remains and will be reported in the management and audit report as part of non-	30%	Director Corporate Services	- 2020-12-01	The Recruitment and Selection Policy will be reviewed in this regard	A submission of the Chief Of Staff irregular expenditure has been made to MPAC with a recommendation to write off the current and future irregular expenditure in respect of the staff member. The resolution further

				Administration or related field, training in diplomacy, computer literacy and Code EB license. The employee has a national diploma in tourism, a certificate in local and economic business development, bachelor in tourism management and certificate in Municipal Financial Management.	should be appointed only if they meet the minimum requirements for the post	suitably qualified candidate could be found, see attached minutes. · Shortlisting was conducted on 2nd February 2018 and no suitably qualified candidate could be found, see attached minutes. · It was then resolved that the issue of recruitment be left to the office of the mayor to do the head hunting. · The recommendations are however accepted and must indicate that the municipality is in the process of reviewing its HR policies. This matter will be considered accordingly.	compliance to laws and regulations as well as disagreement misstatement to the value of salary paid to the employee.				states that MPAC to recommend to council that the current established practice of appointments of a similar are not desirable and should be discontinued.	
1 3	CoAF 21	Revenue	1. VAT not accounted for in VAT control account in the general ledger	During the audit of Rental of facilities and equipment testing, the following has been identified: - Revenue received by the Municipality from the Department of Transport (customer) has been recognised in the accounting records inclusive of VAT.	Management should ensure that revenue is recorded on the accounting records exclusive of VAT and VAT is recorded in the VAT control account.	Management is in agreement with the finding. The journal for VAT will be processed as soon as the auditors allow for the processing of adjustments	Management response acknowledged, however the finding remains and will be reported in the management report and the projected misstatement will be aggregated with other misstatements on revenue. Management should investigate the population to ensure that there are no other items of VAT that are incorrectly recorded before processing a journal for adjustments.	100%	Chief Financial Officer	2020-01-31	VAT is levied on all vatable transactions in terms of the VAT Act. A secondary process is carried when performing the VAT 201 submission monthly. A service provider that assist the municipality claim VAT accurately has been appointed on a 3 year contract.	A VAT reallocation journal was passed to correct the entry. All invoices in respect of Dept. of Transport, and all other sundry invoices are levied with VAT as required in terms of the VAT Act

1 4	CoAF 23	Planning: Leadership	Inappropriate segregation of duties	Excel spreadsheet for completeness capturing of VAT vouchers is completed by the Income & Expenditure Manager and is not reviewed.	Management should ensure that appropriate steps are taken to ensure that control procedures are adhered to support the internal control objectives, processes, and responsibilities.	The management is in agreement with the finding.	Management is in agreement with the finding. The findings remain and will be reported in the management report as part of internal control deficiencies.	0%	Income and Expenditure Manager	2020- 02-28	The reconciliation spreadsheet performed monthly will be prepared and signed by the Expenditure Controller together, with the assistance of the VAT service provider, and reviewed by the Manager Income & Expenditure	VAT	None
1 5	CoAF 24	Use of consultants - MFMA	1. Use of consultants - Preparation of the annual financial statements	We have inspected the terms of reference as well as the service level agreement for the contract between Elundini local municipality and Siyanda Business Solution in relation to the provision of AFS preparation services, and we have noted that the terms of reference do not provide the following required details in relation to the transfer of skills: 1. The nature and scope of the training to be provided; 2. Time-frames for training to be provided; 3. Identification of employees to be trained; and 4. Measures to be implemented to monitor the transfer of skills by the consultant.	Management should ensure that terms of reference for work done by consultants take into consideration all requirements listed per the SCM guide for accounting officers.	Management is in disagreement with the finding. Although the SLA does not specifically address transfers of skills, paragraph 7.1 of the SLA states that "Both parties to be bound by the contents and provisions of the specification document". The specification had the following terms as the scope of work and timeframes: - These clearly state the transfer of skills and the timeframes. Accompanying this response, we have attached a proposal document for Siyanda which the following reference are included: - Paragraph 1.3 (page 2) makes reference to the timeframes of this project, including for the transfer of skills. - Paragraphs 1.4. and 12 (page 13) make reference to the	Management's response has been noted, together with the supporting information. We are not satisfied that the transfer of skills has been properly mapped out in the agreement between the municipality and the consultant, further to this, in your response you have also alluded to the fact that the transfer of skills has not taken place sufficiently response you have also alluded to the fact that the transfer of skills has not taken place sufficiently. The municipality should consider developing with the consultant a plan whereby the process of transferring skills could run parallel with the process of the consultant delivering on their other transferring skills could run parallel with the process of the consultant delivering	0%	Chief Financial Officer	2020- 03-31	A revised training schedule for the transfer of skills will be developed clearly identifying beneficiaries for the transfer of skills, areas involved, evaluation forms on completion of training as well as timeframes for the transfer of skills will be developed		None

				methodology to be applied in the process of transferring skills. This is broken down into stages.	on their other transferring skills could run parallel with the process of the consultant delivering on their other consultant.						
1 6	CoAF 27	Property, Plant and Equipment	1. PPE: No information submitted (Verification of assets)	During the audit of property, plant and equipment, the following assets could not be physically verified	Management should implement strict controls over the management of municipal assets.	Management did not submit a respond	Assets were not made available for verification. Finding remains and will be reported in the management report as important matters.	50%	Chief Financial Officer	2020-03-31	<p>A review of the quarterly asset count will be done by the CFO. Revised asset count procedures detailing what needs to be done with assets discrepancies will be developed.</p> <p>An asset scrapping form has been developed and is completed for all assets identified as non-functional. The third quarter asset count has already commenced. Asset counters carry stickers and mark all counted assets and rechecks after the count.</p>

17	CoAF 33	Predetermined objectives	<p>1. AOP0 - The number of indigent households with access to free basic services</p> <p>During the auditing of reporting on predetermined objectives, we could not obtain sufficient appropriate audit evidence in relation to the following indicator due to the manner in which performance achievement was measured and reported: The reasons we are unable to verify the reliability of the reported achievement as detailed below:</p> <p>1. The indicator description refers to the number of households with access to indigent services, and the expectation that is that the measuring of actual achievement would be at a household level.</p> <p>2. However, during the auditing of reliability, we have noted that the municipality collects data for reporting purposes at an individual level, not necessarily per household. The municipality has categories of indigents that exceed one, meaning that a single individual could very well be a beneficiary to more than one category of indigent services. What the municipality does effectively is that in instances whereby one</p>	<p>Management should ensure that indicators are well defined and standard operating procedures are in place to confirm how the indicator will be reported and when.</p>	<p>Management is in agreement with the finding, to the extent that the population contains data at individual level. Management then went to the entire population and filtered for these customers and found that 223 customers are duplicating. The excel file used for the calculation is attached. Management will then adjust the achieved result by reducing the 223 customers.</p>	<p>Management's responses have been noted, and they are in agreement with the audit finding. Based on the CAATs results performed on the indigents, there were various exceptions identified in relation to the registers used to support reported performance for this indicator. These exceptions have not been cleared by the municipality, and because of this, we are unable to rely on the data used to support this achievement. The audit finding has not been resolved, and reported performance for this Indicator has been materially misstated.</p>	30%	Chief Financial Officer	2020-06-30	<p>The whole indigent database has to be revisited and each beneficiary must have application form in place. Various registers from different systems will be consolidated to identify customers reflecting in various systems and duplicates eliminated. On a quarterly basis all new applicants will be presented to AG for CAATs testing before they are approved.</p>	<p>Beneficiaries identified during the CAATs as not qualifying are being taken off the database.</p>
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person received two services, they will be counted twice for reporting purposes, and not one household.3. This practice that has been adopted results in duplicate reporting, as one person from one household is reported more than once. The correct practice per the indicator description should be that reporting should be done at a household level, regardless of how many indigent basic services the household has received for the year.4. We are unable to quantify the duplicated indigents as well as misstatement amount in relation to the reported achievement in relation to this indicator, and consequently, we cannot report on the reliability of the achievement reported.



1 9			2. AOPO: Households and commercial properties with access to refuse collection services	During our auditing of reporting on predetermined objectives, we were not able to obtain sufficient appropriate audit evidence to conclude on the reliability of reported performance for the following indicators:	Management should only disclose unauthorised expenditure that is valid in their annual financial statements.	Management is in disagreement with the finding. The table below shows the refuse billing results as at June 2019. Currently it's the only source that determines the number of properties with access.	Management did not respond to the finding. Finding not resolved and will be reported in the management and audit report as material misstatement.	80%	Director Community Services	2020-03-01	Indicator and its measurement criteria will be changed during mid-term review of the SDBIP.	Management has reviewed the indicator and how its achievement will be measured: As of 1 March 2020 the indicator will read "percentage compliance with the approved refuse collection schedule".
2 1	CoAF 36	Cash and cash equivalents	Cash and cash equivalents - Authorized signers no longer employed by the entity	The entity did not update the signatories for the Standard Bank account, the following signatories that have been confirmed are no longer employed by the entity Signatories no longer employed: SHP Belebese RD Lehana RD Rashedelana JJIS Vermeulen S Mfobo	Management should always ensure that the banks are updated for changes in authorised signers, and always ensure that the former employees are not included in the financial records of the entity.	Management is not in agreement with the finding above. None of the signatories listed above are still signatories at Standard Bank. Instead one of the former employees, Ms Anita Brummer, still reflects as a signatory at the bank according to the attached bank letter. We have attached a letter where we are requesting Standard Bank to remove her as a signatory as well.	Management response acknowledged, however the finding remains as management did not provide evidence that the confirmed signatories are no longer signatories in the mentioned bank account. The letter written to the bank to remove a signatory which is no longer in the employ is acknowledged.	0%	Chief Financial Officer	2020-02-28	A checklist on termination of employment for managers at BTO, CFO and MM will be developed. These will include disabling bank passwords, removing them as signatories, etc. on the last day of work for each affected incumbent	All the signatories that are no longer under the employ of Elundini Municipality have been removed as signatories in our banks.

2 2	CoAF 43	Revenue from Exchange	Revenue from Exchange-Interest not charged on outstanding debtors	During audit of investment income, we identified that the below debtors have long outstanding debts, however interest was not charged and disclosed in the annual financial statements.	The management ensure that all debtors with long outstanding accounts have been charged interested and that has been accurately disclosed in the financial statement.	Management is in agreement with the finding. A journal will be prepared to make the required adjustments to the AFS.	Management is in agreement with the finding. A journal will be prepared to make the required adjustments to the AFS.	100%	Chief Financial Officer	2020- 12-31	New debtors will have to be checked for correction allocation of customer class upon entry. All customer class changes will have to be approved by the CFO.	All customers that were classified erroneously classified as government customers have been corrected. Interest has been checked and is calculating correctly per customer class.
2 3	CoAF 46	Predetermined objectives	1. AOPO: Performance indicator not well defined	During the audit of reporting on predetermined objectives, we have identified that the following indicator is not well defined: KMs of paved roads constructed: Upgrading of Vincent Streets & Stormwater. The reason the indicator is not well defined is due to the fact that the indicator's technical description creates an expectation that reporting will be on actual kilometres of the road constructed, however, the target as well as actual reporting on the indicator is a percentage. This results in a mismatch between the definitions of the indicator, as well as what is actually reported.	Management should ensure that targets and information reported for all performance indicators is aligned with technical indicator descriptions.	Management is in disagreement with the finding. The indicator is a national crafted indicator. It cannot be changed. The deliverables are not necessarily aligned to the indicator, however, management has set itself measurable targets to be achieved.	Management's responses have noted, and they disagree with the audit finding. The fact that the indicator is nationally crafted does not mean that management cannot change the manner in which it collects information, and reports, on the indicator. The technical indicator description does not need to change, management should just report on performance for this indicator using actual kilometers, and not a percentage. The technical indicator description does not mention the actual achievement to be reported in percentages but in actual kilometers.	90%	Director - IPD	01/03/ 2020	During the formulation of the SDBIP, indicators will be reviewed to ensure they meet the SMART criteria	The current indicator have been corrected during the adjustment of the SDBIP. The adjusted SDBIP is currently awaiting council adoption

2 4	CoAF 48	Immovable assets	PPE - Variance between recorded and recalculated Net Carrying Values	During the audit of property, plant and equipment, the below variances were noted between the recorded net carrying values and the recalculated values:	Management should ensure that adequate reviews of the register are performed. In addition, management should revisit the population and ensure that net carrying values of assets are accurate.	Management is in disagreement with the finding, except for item no 13	Management comment has been noted and reviewed. We have satisfied ourselves that the differences are due to rounding differences, but some of the items are due to the fact that assets could not be verified.		Chief Financial Officer	2020- 03-31	An intensive asset review will be carried out on a quarterly basis	
2 5	CoAF 50	Operating expenditure	2. Expenditure: Travel and Subsistence - Disagreement	1. Travel and Subsistence is overstated by the following items which are calculated incorrectly.	Management should ensure that full and proper record keeping is done, including reviews and reconciliation of recording of transactions	Management is not in agreement with the finding. There is a big journal that was processed to correct all the transactions that were processed inclusive of VAT.	Management response has been received and evaluated. Projected disagreement misstatement: R195 725,76	0%	Chief Financial Officer	2020- 02-28	On a voucher by voucher basis VAT allocation will be checked on the transactions being processed. After each Munsoft upgrade VAT processing will also be checked just to confirm that the upgrade didn't come with incorrect settings.	VAT is processing is checked at the time of entry of transactions. On a monthly basis the Expenditure Controller assisted by the VAT service provider checks all the transactions for that month for correct VAT allocation
2 6	CoAF 51	Investment property - additional	Investment property - additional	During the cause of the audit, it was noted that the following properties could not be verified/ the municipality does not have ownership of such: This has resulted in overstatement of IP by a projected misstatement of R558 027.73	Management should ensure that IP recorded on the FAR is verifiable on title deeds.	No response provided by management.	Finding remains as management did not provide evidence of ownership.	0%	Chief Financial Officer	2020- 03-31	Property Register will be reviewed that they are in the name of the municipality. Properties that are controlled by the municipality but not registered in the municipality will be investigated to obtain substantive reasons why they are not yet registered in the municipal name.	We have already located the deed of sale for the Eli Spilkin property, and are on a process of sourcing information confirming ownership on other properties.

